# Daily Report

# Central Eurasia

FBIS-SOV-94-106
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2 June 1994

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*FBIS-SOV-94-106* 2 June 1994

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## Centrists Prepare for Conference on New Intra-CIS Union

*MK0106130094 Moscow SEGODNYA in Russian 1 Jun 94 p 4*

[Viktor Yadukha report: "Conference of Centrists To Be Held in Crimea"]

[Text] Preparations are under way in Sevastopol for a conference of centrist political forces of Russia, Ukraine, and Belorussia [Belarus] with Kazakhstan and Moldavia [Moldova] showing interest in it. According to Yuriy Komov, one of the conference organizers and spokesman for the Crimean Party of Social Guarantees, the conference is supposed to raise the question of a new union within the CIS framework.

Taking part in the preparations on behalf on Ukraine is the Interregional Kuchma-Grinev Bloc of Reforms, and the Civil Congress of Ukraine. Representing Russia are the Party of Russian Unity and Accord and the Russian Movement for Democratic Reforms. Also invited were Social Democrats and Populists. "The threat of a conflict in Crimea may bring to naught centrists' unification efforts," Yuriy Komov stated. "Our plan is to get all the documents signed at the Livadia Palace on the 50th anniversary of the Yalta Conference."

## Baltics To Receive Aid To Prevent Iilegal Immigration

*WS0106111694 Tallinn BNS in English 1632 GMT 31 May 94*

[Text] Tallinn, May 31, BNS—Nordic countries, the United States and Canada are to give the Baltics and Belarus 1.5 million dollars to support their efforts in resolving the issue of refugees and prevention of illegal immigration, said Juri Ruus, deputy chancellor of the Estonian Interior Ministry.

Ruus was quoting the head of the Nordic mission of the International Migration Organization, Oystein Optal, who had announced the assistance package at a meeting on refugee issues at the Estonian Interior Ministry today.

The 1.5 million dollar program includes assistance to Russian-speakers in the Baltics who want to re-emigrate to Russia, but also for those who want to move to Latin America or other regions, Ruus explained. The first 0.5-million tranche of the aid line is to be made available for the Baltics and Belarus from July 1, Ruus said.

The U.N. Refugee Commission's new representative to the Nordic region and the Baltics, Hans Thoolen, is expected to arrive in Estonia for an acquaintance mission on June 20.

Ruus said his department's data shows there are currently about 180 illegal immigrants in Estonia.

## ITAR-TASS Carries Press Review for 2 Jun

*LD0206070294 Moscow ITAR-TASS in English 0450 GMT 2 Jun 94*

["Press Review"—ITAR-TASS headline]

[Text] Moscow June 2 TASS—Anti-crime measures, the major aspects of President Boris Yeltsin's policy line, taxation policy, relief to victims of conflicts, NATO-Russia relationships, lack of housing for servicemen, and Aleksandr Solzhenitsyn's stay in the Far East are major topics in today's Moscow-based newspapers.

NEZAVISIMAYA GAZETA carries a regular survey by the glasnost protection foundation under the headline "The Persecution of Journalists and the Press in Ex-USSR: May 1994".

Three journalists were killed in May, another three were beaten up, and 19 were subjected to persecution on the part of the state, according to the survey which was compiled by expert Oleg Panfilov on the strength of reports by periodicals, human rights organisations, and journalists during last month.

ROSSIYSKAYA GAZETA runs an interview with Russian Minister of Justice Yuriy Kalmykov, who expressed the conviction that the main task in combating crime is in securing the inevitability of punishment for offenders, not in toughening penalties. Almost a half of all registered crimes last year remained unexposed (and, it means, went unpunished). About 1.5 million criminals were thus not arraigned for trial, he said.

Touching upon possible miscarriages of justice, the minister said the number of these is on the decrease. Judicial errors are caused, in the minister's view, by low quality of preliminary investigation and court examination, excessive workload of judges, and in particular, by an inadeguate competence of some judges.

NEZAVISIMAYA GAZETA carries an interview with Aleksandr Livshits, leader of the group of experts to the president of the Russian Federation, who elucidates the president's economic reform policy line. The expert declined to indicate a specific time-frame for the signing of a second package of presidential economic decrees but said that one will not have to wait for this "for several months".

According to Livshits, the main aspects of the presidential policy are to decide what to do with debtor enterprises, work out a single procedure for the provision of privileges to enterprises, adopt specific decrees dealing with investment, to attract foreign investments to the production sphere, in particular, and to bring about changes in the banking sector.

In TRUD, Vladimir Gusev raises financial problems connected with taxation policy. The existing taxation system accords with the realities of the country's present-day economic situation but it is in need of certain adjustment, he told the newspaper. Gusev considers it

necessary to sharply reduce the number of taxes and suggests delimiting clearly the competence and powers of legislative power bodies in the centre and at the local level to introduce new types of taxes. A decrease in the number of taxes, in his view, should automatically lead to an easing of the tax burden.

ROSSIYSKAYA GAZETA carries an article reporting that Konstantin Tsiolkovskiy, a great Russian scientist, the founder and theoretician of cosmonautics, was arrested in Kalug in 1919 and escorted to Moscow wehre he was kept for two weeks in the building of the extraordinary commission to combat counterrevolution, sabotage and speculation (cheka) on Lubyanka. The article is written by the newspaper's own correspondent Boris Sopelnyak, who was one of the first journalists to see case no. 1,096 on "counterrevolutionary activity" charges against the scientist.

In ROSSIYSKIYE VESTI, Vladimir Rubanov, deputy secretary of Russia's security council, comments on the presidential decree "on urgent measures to implement a federal programme to step up action to combat crime in 1994-1995". It is emphasised that, as a result of the measures, the numerical strength of police and special-purpose troops is to increase by 52,000 men.

In KOMSOMOLSKAYA PRAVDA, Tyeri Meira, leader of the Moscow delegation of the International Committee of the Red Cross (ICRC), said that from January to March 1994 alone, the International Committee of the Red Cross (ICRC), sent 505,700 swiss francs worth of food parcels to Azerbaijan victims of conflict, and 141,500 swiss francs worth of food aid to Armenia. The committee also provided relief to residents of Abkhazia and Georgia and victims of the Ossetian-Ingush conflict, Meira told the newspaper.

KOMSOMOLSKAYA PRAVDA carries Air Marshal Yevgeniy Shaposhnikov's article dealing with the Russian-NATO relationships. The invitation to join NATO's Partnership for Peace programme placed Russia before a difficult and responsible choice, the marshal writes, examining probable situations and possible consequences of such a choice.

KOMSOMOLSKAYA PRAVDA points out that there is a shortage of housing in Moscow for more than 7,000 servicemen, mostly senior officers of the main and central departments of the Defence Ministry. "In Soviet times, high-ranking servicemen were on housing waiting lists for two years at most. Nowadays 102 generals and admirals in Moscow and 169,700 officers in the whole of Russia have no housing".

ROSSIYSKIYE VESTI, under the rubric "For Slow Reading", runs Lev Navrozov's article headlined "How 'PRAVDA' and 'Zhirinovskiy PRAVDA' understand polemics". Navrozov carries on his debate with LDPR leader Vladimir Zhirinovskiy and his supporters on various political aspects.

## ROK President Arrives in Moscow for Talks With Yeltsin

*SK0106122194 Seoul YONHAP in English 1211 GMT 1 Jun 94*

[Text] Moscow, June 1 (YONHAP)—Some 200 Taegukki (Korean national flag)-waving ethnic Koreans welcomed President Kim Yong-sam as he arrived at Cheremetyevo Airport here Wednesday for a four-day state visit to Russia.

President Kim, accompanied by First Lady Son Myong-sun aboard a Korean Air chartered plane, was welcomed by the Russian Government protocol officer and Korean Ambassador to Moscow Kim Suk-kyu.

The presidential plane touched down at 3:30 PM (Moscow time) and the chief executive showed no signs of fatigue despite the 10 and a half-hour flight from Seoul. He waved at the welcoming crowd as he came down the ramp.

Kim was then received by First Deputy Prime Minister Oleg Soskovets and Russian Ambassador to Seoul Georgiy Kunadze before reviewing an honor guard and saluting the two countries' flags as their national anthems were played.

After exchanging greetings with Vice Foreign Minister Alexandr Panov and other Russian Government leaders, the Kims received bouquets of flowers from the children of Korean residents—Shin Yong-un and Kim Pyong-su—and shook hands with many ethnic Koreans who had come out to welcome them.

—Shortly after his chartered plane took off from Seoul Airport, President Kim changed into causal attire and, in a relaxed mood, entered the sections where members of the official entourage and the press corps were sitting and shook hands with each of them.

When a reporter reminded him that many leaders of opposition parties, including chairman Yi Ki-taek of the Democratic Party, had come out to Seoul Airport to see him off, the president quipped: "Aren't all trying to engage in big-time politics?"

As the plane flew through Japanese air space, Kim summoned Foreign Minister Han Sung-chu and other members of the official entourage to his "office in the air" and had a brief chat.

At the meeting, Gen. Yi Yang-ho, chairman of the Joint Chiefs of Staff, told the president that because of North Korea, the plane had to go to Khabarovsk via Niigata, taking an extra two hours.

"We should be able to fly directly (to Khabarosvk) soon," Kim said, obviously alluding to a time when the country is unified and airlines can fly directly to anywhere from Seoul.

—During the brief meeting with his official entourage Kim remembered that the National Assembly Foreign Affairs and National Unification Committee was to hold a special session on the North Korean nuclear row.

Talking to Rep. Chong Chae-mun, chairman of the committee, the president asked jokingly: "Now that you are here, who is going to preside over the session?"

"(The committee's) manager Rep. Kang Shin-cho can do that," Chong replied, seriously but with a smile.

## Kim Yong-Sam Insists Ties Growing 'Dynamically'

*PM0106163194 Moscow IZVESTIYA in Russian 31 May 94 p 4*

[Interview with ROK President Kim Yong-sam by IZVESTIYA Chief Editor Igor Golembiovskiy in Seoul; date not given: "'We Must Combine Our Technologies and Your Potential.' ROK President Kim Yong-sam Answers IZVESTIYA Chief Editor Igor Golembiovskiy's Questions"]

[Excerpt] [Golembiovskiy] Mr. President, you were the first South Korean politician to come to Moscow. That was five years ago. You played an important role in establishing diplomatic relations between Moscow and Seoul, which presaged the most extensive links between our countries. Why, in your view, have Russian-Korean relations proved to be so modest?

[Kim] As you have correctly remarked, I was the first South Korean politician to visit the Soviet Union. Afterward, in March 1990, I visited the USSR again. At that time there were no diplomatic relations between our countries, and therefore my visits were extremely difficult. Official diplomatic relations between the ROK and the USSR were established six months after my visit; I think that even my modest efforts played a part in this.

Relations between our countries have been developing very dynamically since September 1990 right up until the present moment. The treaty signed between the ROK and the Russian Federation during President B. Yeltsin's visit to the ROK in November 1992 became the systemic basis for the development of bilateral relations. Relations in the political, economic, social, cultural, and other spheres are being developed on this basis. In the political sphere, in addition to top-level bilateral visits, frequent exchanges have taken place at the level of foreign ministers and other state figures.

Trade turnover between the two countries last year reached almost $1.6 billion, almost twice the level of the previous year. This testifies to a dramatic growth in our economic relations.

The number of visits by citizens of the two countries has also grown. Thus last year 18,000 Russians visited the ROK, almost twice as many as in the previous year. But at the same time, when I say that our relations do not yet meet our mutual expectations, I mean that they do not

yet fully correspond to the great potential for cooperation which is worthy of our countries.

My visit to Russia should serve as a boost to relations between the new Russia and the new Republic of Korea. We have accumulated healthy experience. Our cooperation will develop further on the basis of this experience and our mutual interests.

[Golembiovskiy] Your predecessor, President Roh Tae-Woo, promised Moscow a loan of $3 billion, of which our country received only half. Now the question of returning this $1.5 billion has arisen; moreover, the Republic of Korea refuses to accept anything Moscow offers in payment for this debt—from raw materials to arms. The impression arises that Seoul is not very committed to trade and economic relations with Russia. Is this so?

[Kim] The loan was frozen because the major part of the debt had not been paid. Bilateral relations are now under way at a working level; moreover, all proposals put forward by the Russian side are discussed. I believe that we will be able to resolve this problem.

Your words about the ROK's lack of interest in trade and economic relations with Russia are evidently connected with the fact that you do not have an exact idea of how our relations are developing. Once again I will repeat that our cooperation with Russia in the economic sphere is developing very dynamically.

Russia is a country with great economic potential, the basis of which is constituted by its fundamental science and advanced high technology, its rich natural resources, and its high level of public education. The development of economic relations between the two countries on the basis of our economies' complementing one another will proceed more quickly if we manage to combine with Russia's potential our industrial technology and our experience of working in the international market.

At the same time, investments and trade depend mainly on how mutually profitable our direct links with individual countries become. Hence the two countries' governments must work on expanding and consolidating the legal and structural base in order to exclude difficulties and obstacles in the activity of Korean and Russian entrepreneurs alike.

Many South Korean entrepreneurs are already working in the Russian market, and I hope that my visit to Russia will help to create favorable conditions for more energetic activity on their part.

[Golembiovskiy] The absence of international monitoring of North Korea's nuclear installations worries the whole world. Do you not think nevertheless that talk of the possibility of war and any kind of military preparations only aggravate the situation? Ultimately there is no precise information regarding the existence of nuclear weapons in North Korea, and it is hard to imagine its leaders' really wanting a military conflict.

[Kim] At the moment there is no precise evidence that the DPRK possesses nuclear weapons. However, there are suspicions that Pyongyang has long time been developing nuclear weapons and is already using a considerable number of nuclear components for military purposes. In order to rid the international community of these doubts it is necessary to ensure total glasnost regarding North Korea's nuclear installations. The DPRK should accede to the Nuclear Nonproliferation Treaty as quickly as possible and ensure that full inspections are carried out in its country.

The ROK Government and the world community are making every effort to resolve the North Korean nuclear problem peacefully if possible. However, there is a limit to the world community's patience. In the event that North Korea does not renounce its plans and continues to develop nuclear weapons, rigorous sanctions by the world community will inevitably follow.

[Golembiovskiy] Do South Korean diplomats plan to take part in the multilateral conference on this subject proposed by the Russian Foreign Ministry?

[Kim] I would first like to express gratitude to Russia for cooperating in tackling the North Korean nuclear problem. The International Atomic Energy Agency, South and North Korea, the United States, Japan, China, Russia, and other interested parties are not only holding bilateral consultations but also making efforts in this area on a multilateral basis via the UN Security Council. In this connection I think that for the time being we should continue to follow the efforts made by the world community. [passage omitted]

## Yeltsin, Kim Yong-Sam Begin Official Talks

*LD0206064794 Moscow Mayak Radio Network in Russian 0550 GMT 2 Jun 94*

[Report by correspondent Yuliy Semenov from the Kremlin in Moscow—live]

[Excerpt] [passage omitted] Twenty minutes ago an official meeting ceremony was held for South Korean President Kim Yong-sam and his wife in the St. George Hall of the Moscow Kremlin. What can I tell you? Our guest is very dynamic and smiles a lot, but at the same time he is known as a gifted and far-sighted politician who, among other things, began to establish contacts with the Soviet Union and Russia even before official relations between Russia and South Korea were reestablished.

Ten minutes ago a tete-a-tete meeting between Presidents Kim Yong-sam and Yeltsin started in the so-called Green Drawing-Room. Whereas they had an unofficial meeting last night in Staro-Ogarevo, today's meeting opens a formal negotiating process. Simultaneously, the foreign ministers are holding talks at the so-called Yellow Drawing-Room. There they are expected to sign the first agreement on the protection of migratory birds, together with a protocol on the consultations between

the foreign ministries. At the same time, two more agreements—on environment protection and on preventing incidents at sea—will be initialled. They will be signed but a subsequent approval of the presidents will be required.

Then there will be talks in St. Catherine's Hall attended by the delegations in full and at about 1130 in St. Vladimir's Hall of the Kremlin, President Yeltsin is to hand over to his guest a package of documents relating to the so-called Korean war of the 1950's. These are archive documents, many of them secret, and they should help create a fuller picture of the events of the period.

Then a Russian-Korean declaration will be signed. This is an extensive and serious document. I can tell you that one of its highlights is Russia's proposal that a conference on making the Korean peninsula a nuclear-free zone should be held with all interested states taking part.

When this official program has been completed, Russia's president and his guest are to move to a building next door where a news conference of the Russian and Korean presidents will take place. [passage omitted]

### Yeltsin Satisfied With Kim Yong-Sam Meeting

*LD0206084994 Moscow ITAR-TASS World Service in Russian 0810 GMT 2 Jun 94*

[By ITAR-TASS diplomatic correspondents Nikolay Geronin and Vladimir Solntsev]

[Text] Moscow, 2 Jun—Russian President Boris Yeltsin has expressed satisfaction with his personal meeting with South Korean President Kim Yong-sam. He stated this today when opening the Russian-Korean talks at the top level, with many people taking part, in the Catherine Hall of the Grand Kremlin Palace.

During a one-to-one meeting with President Kim Yong-sam today, Boris Yeltsin said we have already discussed a wide range of issues relating to the domestic situation in our countries, bilateral relations, and some international problems.

According to the Russian president, during an unofficial meeting with Kim Yong-sam held in the "Staro-Ogarevo" suburban residence yesterday, they had "already discussed many issues."

Aleksandr Shokhin, deputy chairman of the Russian Government and minister of the economy, Foreign Minister Andrey Kozyrev, Defense Minister Pavel Grachev, and other officials took part in the talks on the Russian side. The delegation of the Republic of Korea included Foreign Minister Han Sung-chu, Kim Chol-su, the minister of trade, industry, and energy and Li Yang-huh, chairman of the joint chiefs of staff of the Armed Forces.

### Yeltsin, Kim Yong-Sam Sign Partnership Declaration

*LD0206091294 Moscow ITAR-TASS World Service in Russian 0823 GMT 2 Jun 94*

[By ITAR-TASS diplomatic correspondent Vladimir Solntsev]

[Text] Moscow, 2 Jun—Russian President Boris Yeltsin and ROK President Kim Yong-sam, who is in Moscow on an official visit, today signed a joint Russian-Korean declaration in the Kremlin on completion of their bilateral summit. The document proclaims the raising of bilateral relations to a level of mutually complementary constructive partnership, and reflects the two sides' approaches to the main problems of both world politics, including the nuclear problem on the Korean Peninsula, and to questions of cooperation between Moscow and Seoul in the economic, political, and other spheres.

A number of other bilateral documents were also signed, including intergovernmental agreements on cooperation in protection of the environment, on preventing incidents at sea outside territorial waters, and on the protection of migratory birds, and also a protocol on consultations between the Ministries of Foreign Affairs of the Russian Federation and the ROK.

The South Korean side was handed more than 200 archive documents relating to the Korean War during 1950-53. They include correspondence conducted by the then leaders of the USSR, the DPRK, and the PRC, with telegrams from Josip Stalin and Mao Tse-tung, and they reveal the degree of the former Soviet Union's involvement in the Korean War. "History should stand revealed in its true form," a high-ranking official of the Russian Federation's Foreign Ministry said in a conversation with the ITAR-TASS correspondent. He said the handing over of archive documents would make it possible to "close one of the pages of the past." At the same time, the sides are united in the opinion that the sad past in relations between Moscow and Seoul should remain in the past and should not affect the present and future.

### Joint Communique Declares New Bilateral Ties

*SK0206090694 Seoul YONHAP in English 0858 GMT 2 Jun 94*

[Text] Moscow, June 2 (YONHAP)—South Korea and Russia announced a "constructive and mutually complementary partnership" at Thursday's [2 June] summit, promising broad cooperation ranging from the economy to the North Korean nuclear and regional security issues.

Presidents Kim Yong-sam and Boris Yeltsin wrapped up the second day of their summit by issuing a joint declaration supporting Moscow's ongoing reforms and a nuclear-free Korean peninsula.

Delving into the finer points of bilateral relations, the declaration says Yeltsin promised to give favorable consideration to South Korea's bid for non-permanent U.N.

Security Council membership while Seoul will do the same for Russia's application to join the Asia-Pacific Economic Cooperation (APEC).

Moscow agreed with Seoul's insistence on maintaining the present Korean armistice regime until a new peace structure can be created between the two Koreas.

To implement the new partnership, the two countries plan to engage in more active political dialogue at all levels including heads of state and government figures.

Kim arrived in Moscow Wednesday for a four-day visit that began with a dinner meeting on the day of his arrival and continued with a second summit round Thursday.

"The presidents declared that the relationship between the Republic of Korea and the Russian Federation is now turning into a 'constructive and mutually complementary partnership' based on the common values of freedom, democracy, rule of law, respect for human rights and a market economy," the declaration read.

Much of the declaration was given over to an emphasis on finding common principles between the two countries and expressing support for each other's stands on key issues.

Kim reassured Yeltsin of Seoul's support for and cooperation with the ongoing reform process in Russia and pledged to promote human rights improvement.

They found common ground in seeking a security dialogue among Northeast Asian countries and agreed to keep open a bilateral channel on formulating a regional security forum.

They took note of the other side's concerns, chiefly South Korea's position on the North Korean nuclear crisis.

"President Yeltsin confirmed that Russia, along with the states involved, will continue to play an active part in the efforts of the international community to achieve the denuclearization of the Korean peninsula," the declaration states.

Recording that Kim explained his country's bid for a non-permanent seat on the U.N. Security Council, it notes that "President Yeltsin promised to consider it favorably."

Likewise, Kim "welcomed Russia's intention to participate actively and constructively in all areas of Asia-Pacific Economic Cooperation and... Would give favorable consideration to the candidacy of the Russian Federation for APEC membership when the matter is taken up at future APEC fora."

They touched briefly on clearing up the awkward past, with Kim thanking Moscow for its efforts in restoring the dignity of ethnic Koreans in Russia, handing over documents related to the downing of a Korean air passenger jet in 1983 by a Soviet fighter jet and delivery of archival documents on the Korean war.

On the economic front, Kim and Yeltsin hoped to combine Russian technology with the industrial know-how of South Korea and to encourage investment in developing Russia's natural resources.

Capping the declaration, the presidents state they will "intensify the political dialogue at various levels, including summit meetings of the heads of state or government, parliament leaders and ministers."

### Russia, ROK Agree To Establish Trade Committee

*SK0206095494 Seoul YONHAP in English 0911 GMT 2 Jun 94*

[Text] Seoul, June 2 (YONHAP)—South Korea and Russia will soon establish a trade committee to discuss ways to promote and strengthen bilateral cooperation in the fields of trade, investment and technology.

The committee's creation was agreed in Moscow on Thursday when the two nations' trade ministers signed a memorandum to that effect. Attending the meeting were Korean Trade, Industry and Energy Minister Kim Chol-su and Russian Foreign Economic Relations Minister Oleg Davydov. Kim Chol-su is accompanying President Kim Yong-sam on his state visit to Russia.

The ministers agreed to hold the committee's first meeting in Seoul this year to be headed by the two sides' assistant ministers.

During the meeting, Russia promised to continue offering preferential tariffs for Korean goods that are half the most- favored-nation rate. In addition, Moscow said it will dispatch an evaluation team to Korea to designate six more safety-certifying agents for easier customs clearance of Korean goods bound to be shipped to Russia.

They also agreed to set up a working-level committee to support construction of a Korea-Russia Trade Center at a site owned by Moscow University Campus.

Minister Kim pointed out that there is still 755 million U.S. dollars receivable from Russia for Korean exports, saying this uncollected money resulted from a foreign currency freeze in December 1990 imposed by the former Soviet Union's External Economic Bank.

With regard to Minister Kim's call for early settlement of Russia's outstanding receivables, Davydov proposed a meeting in Moscow to discuss terms of payment and creditor-confirmation procedures.

### Yeltsin, Kim Yong-Sam Hold News Conference

*LD0206103294 Moscow ITAR-TASS World Service in Russian 0920 GMT 2 Jun 94*

[Text] Moscow, 2 Jun (ITAR-TASS)—Russia has every reason to be optimistic about the prospects for relations with the Republic of Korea [ROK]. Russia regards

relations between the two countries as those of constructive good-neighborliness. Russian President Boris Yeltsin said this at a joint news conference today with ROK President Kim Yong-sam.

President Yeltsin said that at the talks with the ROK president, which ended in Moscow today, Russia's task is "not so much to take stock of what has been done, as to ensure that there is a good future for cooperation, that the leap forward which we made in 1992 should continue, that our relations should become stronger, and that our fundamental accords should be filled with new specific deeds."

Boris Yeltsin said that a new Moscow declaration has been signed with the president of Korea. In his opinion, it is "a major political document looking solely to the future." The Russian president believes that following the treaty on the fundamentals of bilateral relations, signed in Seoul in November 1992, this declaration is "a new step forward in mutually beneficial cooperation." In the opinion of Boris Yeltsin, an agreement to start next year on a regular exchange of young people will enable the peoples of Russia and Korea to learn more about one another, and also looks to the future.

"We have said many times", the Russian president stressed, "that we are interested in full-scale economic relations, that we would like to see a growth of investments by South Korean firms in our economy, especially in the Far East."

Boris Yeltsin believes that active participation by the companies of the Republic of Korea in the conversion of Russian military industry could also become mutually beneficial. The Russian president said that some considerable mutual understanding has been reached on these issues.

At the talks with the Korean president, considerable attention was paid to examining the situation on the Korean Peninsula in the context of nuclear nonproliferation. Russia, as Boris Yeltsin stressed, "is extremely worried at the unsettled nature of the nuclear question in this region, and Russia bases itself on the premise that the DPRK should remain a fully fledged member of the Nuclear Non-Proliferation Treaty, and should fully implement its commitments under the verification agreement with the IAEA."

"This is our fundamental line," the Russian president stated.

"At the same time," he pointed out, "we consider that it is necessary to tackle the North Korean nuclear problem by political methods, without damaging the legitimate interests of all the sides involved therein."

One way of resolving this problem, Boris Yeltsin stressed, lies in implementing a Russian proposal on an international conference on security and the nuclear-free status of the Korean Peninsula, with the participation of Russia, both Korean states, the United States, China, Japan, and also representatives of the United Nations and the IAEA.

At the talks with Kim Yong-sam, the question of the 100,000 ethnic Koreans of Russian citizenship living in Russia was also touched on. "On our part," Boris Yeltsin noted, "it was stressed that Russian Koreans, like all Russians in our multi-ethnic country, have the right to state support, to the maintenance of their culture, language, and customs, and development of links with their historical motherland."

## Yeltsin Warns DPRK of Sanctions

*LD0206103994 Moscow ITAR-TASS in English 1020 GMT 2 Jun 94*

[Text] Moscow June 2 TASS—Russia believes it is yet premature to speak about sanctions against North Korea, but if the latter decides to secede from the nuclear non-proliferation regime Moscow will insist on a gradual approach to sanctions.

"If North Korea strives to secede from the Nuclear Non-Proliferation Treaty, Russia will be forced to gradually begin solving the problem: make a warning and then the world community should adopt a decision on imposing sanctions on North Korea", Russian President Boris Yeltsin told a press conference on Thursday. He added, however, that it is premature to speak about sanctions as no decision has been yet adopted on convening an international conference on the nuclear problem of North Korea.

Yeltsin also said that both the Russian and South Korean leaderships are "greatly concerned about what is happenong in the People's Democratic Republic of Korea (PDRK) taken into consideration its direct closeness to the Russian eastern borders".

"We cannot be indifferent to how the PDRK treats the earlier signed Nuclear Non-Proliferation Treaty and are ready to act", Yeltsin said and admitted that the problem has been delayed for too long and "has no positive solution so far".

The Russian president said that he may discuss the problem with his US counterpart.

Speaking on the Soviet-North Korean friendship and cooperation treaty of 1961, Yeltsin recalled that an amendment had been introduced to its first article which envisaged an immediate military help to Pyongyang if the latter was attacked. Now "there is no strict provision envisaging that we help and side with the PDRK", Yeltsin said.

### DPRK Delegation Hosted by Liberal Democrats

*LD0106175594 Moscow INTERFAX in English 1508 GMT 1 Jun 94*

[Text] Aleksandr Vengerovskiy, deputy chairman of the Liberal Democratic Party of Russia [LP], on Tuesday hosted a delegation of North Korea's Labor Party arriving in Moscow at the LDP's invitation.

The Korean delegation pointed to the LDP leadership's active position on restoring and maintaining good relations between the two countries, an LDP spokesman said in a statement on Wednesday.

LDP representatives handed the visiting delegation a stellar of Corinthian marble to help strengthen the foundation of a monument to "the Chuchkhe Ideas" in Pyongyang, says the statement.

The North Korean delegation is expected to visit Vladimir, Kovrov, and St. Petersburg to meet members of LDP local cells, visit defense-related plants, and go on a sight-seeing tour of St. Petersburg.

### Russian, Greek Foreign Ministers Meet in Moscow

#### Kozyrev, Papoulias Begin Talks

*LD0106110394 Moscow ITAR-TASS World Service in Russian 0940 GMT 1 Jun 94*

[By ITAR-TASS diplomatic correspondent Yuriy Kozlov and Valeriy Sevryukov]

[Text] Moscow, 1 June—"The visit by the President of the Russian Federation, Boris Yeltsin, to Athens last year has set Russian-Greek relations into full swing. After many centuries of spiritual political and historical proximity, these relations have revived with the breath of fresh air." This had been stated by RF Foreign Minister Andrey Kozyrev before he started talks with Greek Foreign Minister Karolos Papoulias here today.

The head of the Russian foreign policy department said that he attached great importance to the current meeting, considering the big role Greece is playing in the Balkans and nowadays in Europe as head of the European Union.

The talks are centred on the issues concerning bilateral relations and preparations for the visit to Russia of the Greek prime-minister Andreas Papandreou at the end of the year. Regarding foreign policy, the sides intend to discuss the situation in the former Yugoslavia and the Balkans as a whole, as well as the Cypriot and the Near East problems.

#### Ministers Discuss Relations

*LD0106143294 Moscow Russian Television Network in Russian 1200 GMT 1 Jun 94*

[Video report by correspondent A.Dubnov; from the "Vesti" newscast]

[Text] A meeting took place in Moscow today between [Russian Foreign Minister] Andrey Kozyrev and Greek Foreign Minister Karolos Papoulias. Problems of bilateral relations and also questions of mutual interest were touched on during the meeting.

[Begin Kozyrev recording] Our relations are developing on the firm basis laid down by President Yeltsin's visit to Greece, and we have now mapped out preparations for a visit to Russia by Prime Minister Papandreou in August. [end recording]

Andrey Kozyrev went on to point out that the political will to develop economic relations exists between the two countries. Mutual interest in the sphere of the economy stretches from the southern regions to the far north. The two foreign ministers then went on to note an identity of views in settling the situation in Bosnia. The Greek foreign minister noted that the Yugoslav crisis can only be settled through the joint efforts of those sides who are truly interested in peace in this region.

### Ministers Agree on Bosnia, Cyprus, Black Sea

*LD0106160994 Moscow ITAR-TASS in English 1519 GMT 1 Jun 94*

[By ITAR-TASS diplomatic correspondents Yuriy Kozlov and Valeriy Sevryukov]

[Text] Moscow June 1 TASS—Russia and Greece have identical approaches towards resolving the Yugoslav crisis, Russian Foreign Minister Andrey Kozyrev and his Greek counterpart Karolos Papoulias said on Wednesday.

Kozyrev said the Bosnian problem featured prominently at the talks because Russia and Greece "have traditional interests and influence in that region."

Additionally, he continued, "both of us are members of the initiative group of ministers which gathered in Geneva and we support direct contacts with Belgrade and other sides involved in the conflict. We have mapped out a number of additional steps to support the settlement process and stated practically full coincidence of our views."

"We also believe it necessary to strictly observe all international agreements, particularly the regime (of navigation) in Black Sea straits established in Montreux. Our positions on the Cypriot problem also coincide. It is important that the next U.N. Security Council discussion of the U.N. secretary-general's report on the talks on Cyprus lead to progress," Kozyrev said.

"Our contacts are developing on a firm basis established during (Russian President) Boris Yeltsin's visit to Athens last year," he added. He said Greek Prime Minister Andreas Papandreou is expected to visit Moscow this autumn.

Kozyrev admitted that some complications may arise in bilateral relations, but what is much more important is

that both countries have the political will and determination to develop multifaceted ties.

Papoulias also pointed to the coincidence of the positions of Russia and Greece on international problems, including on ways to settle the Bosnian conflict, Cypriot problem and navigation in the Black Sea.

He described relations between the two countries as "friendly and cordial" and said that there are no problems between Moscow and Athens. Papoulias invited Kozyrev to visit Greece in order to "continue the fruitful dialogue in the interests of the two countries."

### Papoulias Discusses Role of Orthodox Church

*LD0106231094 Moscow ITAR-TASS World Service in Russian 1537 GMT 1 Jun 94*

[By ITAR-TASS diplomatic correspondents Yuriy Kozlov, Valeriy Sevryukov]

[Text] Moscow, 1 Jun—The church may play a significant positive role in the Balkans in settling the Bosnian crisis. This was stated here today to an ITAR-TASS correspondent by Greek Foreign Minister Karolos Papoulias. Besides talks with Russian diplomatic head Andrey Kozyrev the program for the Greek minister's visit has also included a meeting with Aleksiy II, the patriarch of Moscow and All Russia.

Touching on the importance of the efforts of the Russian Orthodox Church in the Balkans, Papoulias said: "We support such initiatives because they are aimed at defending peace. These are humane initiatives helping to settle many issues with due consideration for the historic role the Orthodox Church plays in the south of Europe."

One should not forget the common Orthodox roots existing between our peoples, the Greek minister continued. He noted that during their talks Kozyrev expressed anxiety over "the unpleasant incidents and provocations against the Universal Istanbul Patriarchic," which there had been in Istanbul.

The Russian foreign political department and the Russian Orthodox Church are in constant contact, Kozyrev told an ITAR-TASS correspondent. We highly appreciate the peace-making efforts of Patriarch Aleksiy II. One should note that in our relationship with Greece and a number of other countries religion serves as "a firm spiritual foundation that imbues it with a cordial character".

The Russian minister cited specific examples related to Murmansk oblast from which he was elected a State Duma deputy. An Orthodox church is now being restored in Murmansk. Unfortunately, Kozyrev said, after 70 years of militant atheism it is being done practically from scratch and mainly through the efforts of parishioners and the public. At present at our request and with the most active participation of the Russian Orthodox Church our Greek co-religionists render help in creating an iconoclastic for this church.

Besides making use of the hospitality of Orthodox co-religionists, we send children from Russia's northern areas for rest and treatment in Greece which is famous for its heavenly climate. In the near future a trip to Greece by a group from Archangel is being prepared. To tell the truth, Irina Kozyreva, the minister's wife, could obviously tell about this in more detail as she heads the Russia's Care charitable foundation to help children on a voluntary basis.

### Yeltsin May Attend EU Corfu Meeting

*LD0106152794 Moscow ITAR-TASS in English 1331 GMT 1 Jun 94*

[By ITAR-TASS correspondents Yuriy Kozlov and Valeriy Sevryukov]

[Text] Moscow June 1 TASS—Russian President Boris Yeltsin may visit the Greek island of Corfu (Kerkyra) in June to take part in the ceremony of signing an agreement between Russia and the European Union [EU], Russian Foreign Minister Andrey Kozyrev said on Wednesday.

The announcement was made after his talks with Greek Foreign Minister Karolos Papoulias who is in Moscow on a three-day official visit.

Relations between Russia and the EU featured prominently at the talks, Kozyrev said. He recalled that at present Greece holds presidency in the European Union and praised its support and assistance in the development of the agreement.

"I think that the history of this cooperation will continue and important events may take place before Greece hands over its presidency," he said. Kozyrev made it clear that the work on the agreement may be completed before June 24 when the EU leaders gather for their meeting in Corfu.

### Shokhin Seeks Tighter Economic Links

*LD0106191094 Moscow INTERFAX in English 1620 GMT 1 Jun 94*

[Text] Russia wants to upgrade Russian-Greek economic relations by launching new large scale projects, Deputy Prime Minister Aleksandr Shokhin told Interfax following his meeting with Greek Foreign Minister Karolos Papoulias.

These projects include the construction of an oil pipeline from Burgas, Bulgaria, into Greece. Shokhin said that this would be a new export route by-passing the Bosphorus and Dardanelles which might be closed for environmental reasons.

Under another project, Greek ship-owners would contribute to the revival of the Russian merchant fleet.

To the best of Interfax's knowledge, during the Papoulias visit to Moscow the two sides held intensive talks on the

continuation of the construction of an alumina works and gas pipeline in Greece with Russian participation.

### Churkin Continues Consultations on Bosnia Settlement

*PM0106161594 Moscow KRASNAYA ZVEZDA in Russian 2 Jun 94 p 3*

[ITAR-TASS correspondent Andrey Naryshkin report: "Is June the 'Key' Month?"]

[Text] Zagreb, 1 Jun—Moscow believes that June should be a "key" month in the attainment of a Bosnian peace settlement and possibly in resolving the whole set of problems in the Yugoslav crisis, Vitaliy Churkin, the Russian president's special representative, said Tuesday [31 May] in Zagreb during an exclusive interview with your ITAR-TASS correspondent.

Speaking about holding a special summit meeting on the Bosnian settlement, V. Churkin noted that "if this summit has not been held by mid-June, say, more attention will probably be paid to Yugoslav affairs during the G-7 meeting in Naples, which will a G-8 meeting for the first time, with Russia's full participation in the discussion of political problems."

Commenting on the content of today's talks in Belgrade with Serbian President Slobodan Milosevic and also with Serbian leaders from Bosnia and Krajina, the Russian deputy foreign minister noted that priority during these talks was given to two issues—the situation in Bosnia, with the emphasis on attaining an agreement on the cessation of hostilities; and the preparations for the next Geneva meeting, as well as for the resumption of talks between Zagreb and Knin.

The Russian president's special representative plans to meet with Alija Izetbegovic, chairman of the Bosnia-Herzegovina Presidium, and Bosnian Premier Haris Silajdzic in Sarajevo.

Tuesday evening V. Churkin was received in Zagreb by Croatian President Franjo Tudjman. "We had a very good discussion during which Franjo Tudjman once again reaffirmed his high opinion of Russia's role in the Yugoslav settlement and Croatia's interest in continuing dialogue not only with Knin but also with Belgrade and in the overall normalization of bilateral relations, which play a key role in the complex of problems involved in the Yugoslav crisis," the Russian diplomat said.

### Departs for Geneva Talks on Bosnia

*LD0206085994 Moscow ITAR-TASS in English 0846 GMT 2 Jun 94*

[By ITAR-TASS correspondent Andrey Naryshkin]

[Text] Zagreb June 2 TASS—The UN and Russian envoys to former Yugoslavia, Yasushi Akashi and Vitaliy Churkin left Zagreb for Geneva early on Thursday for a meeting on Bosnia, TASS was told at the Zagreb headquarters of the UN peace-keepers.

The Geneva talks were in question until the last moment because Akashi had no guarantees that Bosnian Serbs would stand up to their promise and withdraw their remaining units from the 3-kilometre zone around Gorazde. The Muslim leadership refused to participate in the talks if the Serbs do not withdraw.

On Thursday Akashi received a message from Bosnian Serb leader Radovan Karadzic confirming that the troops would be withdrawn.

Churkin told TASS that the degree of readiness for the talks at which a complete end to hostilities in Bosnia is to be discussed, is "very high". He added that "serious discussions" would go [as received] about a number of details, but "chances for success are very high".

### U.S. Air Force Commander Completes Visit to Tver

*PM0106142794 Moscow ROSSIYSKAYA GAZETA in Russian 1 Jun 94 First Edition p 3*

[Unattributed report: "They Flew Like Birds"]

[Text] General Vogelman, commander of the U.S. Air Force, recently visited Tver. Previously the general had been received by military aviators in Pskov, Ivanovo, and the Moscow region, where the guests were acquainted with our defense equipment since they want to cooperate for the sake of peace.

Tver aviators also saw a thing or two in their country when they flew U.S. military aircraft a year ago. During the return visit the U.S. air aces put our MiG's and Su's "through their paces"—and they flew like birds.

### Nunn Briefs Press on Arms Trade, Partnership

*MK0106122494 Moscow KOMMERSANT-DAILY in Russian 1 Jun 94 p 4*

[Georgiy Bovt report: "Sam Nunn's Press Conference. Uncle Sam Is Disposed Peaceably But Won't Share"]

[Text] In the course of the ongoing visit to Moscow by a delegation of U.S. legislators led by Sam Nunn, head of the Senate Armed Services Committee, the question of holding joint military exercises of the two countries, not in Russia alone but also on U.S. territory, was discussed. In the opinion of Mr. Nunn, voiced in yesterday's news briefing at the Russian-American press center, this will partially put at rest those in the Duma who mistrust joint military games with the Americans. At the same time the senator indicated his total rejection of Russia's claims for admission to the world arms markets.

Duma Defense Committee head Sergey Yushenkov; two chairmen of international affairs committees, Vladimir Podoprigora (Federation Council) and Vladimir Lukin (State Duma); and Sam Nunn could not sidestep the now

inevitable "Partnership for Peace" topic. But nothing new in addition to commonplace phrases on the need for cooperation and respect for Russian statehood was heard.

Of greater interest is the other question touched upon—the arms trade. Moscow's desire to "divide the market" (it was also repeated to Nunn by Andrey Kozyrev) runs against the United States' sustained resistance. Washington wishes to divide nothing because the capacity of the world arms market has in fact been dwindling in recent years. Russia's arguments that its position is especially difficult (saying the UN sanctions it religiously observes kicks back at it in the most painful way) are not being heeded: "Your allies are your problems."

The United States did at one time offer to divide the market, not according to regions (as Moscow would like to) but according to sectors. This makes one think about "the tops and roots tale" [a smart peasant let Bear, his partner, have the leaves of beetroot they planted and kept the roots in the fall. The next season they sowed oats; Bear wanted the roots and got them]: Russian products cannot compete in high-tech sectors, while their price in the obsolete weapons sector is not competitive. As Yushenkov put it, the senators "flexed their muscles" to show that "the U.S. grip on arms markets has not slackened." As for their Russian counterparts' argument, that this position would result in "the mafia's starting to sell weapons to the countries targeted by the UN sanctions at that," it failed to scare the Americans. Although they were not shy about admitting that the Russian S-300 missile system is better that the American "Patriot."

## Proposal To Hold Cancelled Exercise in U.S. Noted

*PM0106155594 Moscow IZVESTIYA in Russian 1 Jun 94 p 3*

[Aleksandr Shalnev report: "Joint Military Exercises Will Nonetheless Go Ahead. Only Not in Russia, But in the United States"]

[Text] The joint Russian-U.S. military exercises that were scheduled to be held in our country at Totskiy but were ultimately canceled for political reasons will nonetheless go ahead. But in the United States.

The proposal to hold the peacemaking forces' maneuvers abroad—"in view of the domestic political situation in Russia"—was made by Senator Sam Nunn, the influential chairman of the Armed Services Committee, at a meeting with his Russian colleagues in Moscow. His colleagues were enthusiastic about the idea. It is now up to the executive branches—in Russia and the United States. Immediately on his return to Washington Nunn will discuss his proposal with President Clinton and Defense Secretary Perry. According to the senator, Americans will "give the Russian troops a good reception on their territory."

Admittedly, Russia will lose the $2 million that the United States would have paid us had the maneuvers been held at Totskiy. That would have been payment for the use of our military installations, infrastructure, etc. We will hardly be given any money if we send our servicemen to the United States. What is more we will evidently have to ask the Americans to fund the trip, which will undoubtedly be a costly one.

It is quite possible that if the maneuvers go well in the United States and our soldiers do in actual fact receive a cordial reception as if the Cold War had never taken place, the guarded suspicion which frustrated the plans to hold the exercises in Totskiy will ease and the next maneuvers will be held in Russia.

## Consul To Brief U.S. Business on Russian Potential

*PM0106111294 Moscow ROSSIYSKAYA GAZETA in Russian 31 May 94 First Edition p 2*

[Report by correspondent Margarita Ziangirova: "U.S. Consul 'Discovers Russia'"]

[Text] Omsk—Representatives of U.S. big business know practically nothing about Russia. That view was expressed by Jack Segal, the consul general from the United States, on his arrival in Omsk.

A U.S. consulate opened nearly two months ago in Yekaterinburg—the only one in central Russia thus far—with Segal as its head. The U.S. diplomat was the first of his colleagues to come to the city on the Irtysh, visiting several industrial enterprises and the pedagogical and medical higher educational establishments as well as Omsk Oblast's Bolsherechenskiy Rayon. Jack Segal had a meeting with Omsk Oblast Governor Leonid Polezhayev. The consul promised to inform the U.S. Embassy and American business circles of the potential of the region's industry and to help establish business contacts. In Jack Segal's opinion, only a stable political and economic situation in Russia can promote the emergence and strengthening of such contacts in the first instance. This may also explain the fact that many foreign firms, having signed a considerable number of protocols with major industrial enterprises in Omsk, are in no hurry to complete the matter; which, indeed, causes some skepticism among the people of Omsk.

## Security Chief Urges Signing of NATO Partnership

*LD0106115494 Moscow ITAR-TASS in English 1001 GMT 1 Jun 94*

[By ITAR-TASS correspondent Vladimir Abrosimov]

[Text] Sofia June 1 TASS—The NATO "Partnership for Peace" plan should be signed by Russian President Boris Yeltsin who is also the commander-in-chief of the national armed forces, but the country should not commit itself to signing the plan by a fixed date,

according to Oleg Lobov, secretary of the Russian Security Council, who is currently on a visit to Bulgaria.

"There should be no haste in signing the 'Partnership for Peace'. The Russian (military) might is comparable to that of NATO. We have first to understand what partnership we are being offered. It is inappropriate to commit ourselves to putting the signature by a fixed date because the talk is about a very important issue," he told TASS on Wednesday adding that "when time comes" the document should be signed by the Russian president.

Lobov stressed that the issue also depends on the NATO leadership, which has received Russian proposals on joining the organisation. "NATO has to voice its attitude towards them", he said.

"Russia has expressed its principled position—it is for partnership. As far as concrete questions are concerned, such as armaments, the creation of corresponding structures and so on, their consideration needs time", Lobov said, and added that the Russian Security Council will discuss the results of the consideration. The top Russian security body has not yet voiced its point of view as the decision is currently being drafted, he explained.

He denied mass media allegations that the Security Council is not engaged in discussing the prospects of Russia's joining the "Partnership for Peace" plan. Lobov recalled that the Council includes the president, the defence, foreign and interior ministers, i.e. people who design the policy in this aspect.

Lobov is not confused by the fact that those people often voice different opinions on the question. "Each of them can have his own approach to the problem at the initial stage. Nuances in viewpoints of Security Council members should not be assessed as contradictions", he said, adding that the Security Council is a body where various opinions are discussed in order to arrive to the final conclusion.

## EU Pact Supported After 'Some Hesitation'

*PM0106113594 Moscow IZVESTIYA in Russian 28 May 94 p 3*

[Yuriy Kovalenko report: "Paris Displays Gallantry, Russia Does Not Resist"]

[Text] Paris—The European Union [EU] has begun the creation of a mechanism designed to consolidate the continent's security. The new mechanism is aimed first and foremost at resolving the problems of nationalism, interethnic conflicts, and religious intolerance.

It is on a French initiative that work has begun on the Stability Pact, directed toward the nine states of Central and East Europe, including the three Baltic countries, which have declared their intention to join the EU's ranks. A meeting of delegations from 57 European countries was held in Paris as part of this. The forum examined the problems of stability from the standpoint of democracy and human rights, not in a military context.

"We are ready to accept the new members into our ranks," Alain Lamassoure, French minister for European Affairs, noted, "but we do not want to open the doors to new conflicts."

The focal points of possible conflict are connected with the position of the Russian-speaking population in the Baltics and the Hungarian minorities in Romania and Slovakia. The EU expects these countries to go through a "preparatory class" prior to joining, where they will learn the rules of good conduct.

Paris favors the earliest possible signing of an agreement on partnership and cooperation between the EU and Moscow (it seems that this will happen as early as June) and is energetically supporting Russia's admission to all the European institutions.

After some hesitation, Moscow supported the French initiative. It believes that the Stability Pact should not exist as a separate entity but should form an organic part of the CSCE fabric. In Moscow's view, another major aspect of this pact is the fact that the document is based on the principle of the inviolability of borders. Furthermore, to all appearances it will promote the protection of the rights of the Russians in the Baltics.

The Paris conference has begun work on the pact which will end with its signature in about a year. After the adoption of the basic document by consensus at the present meeting, regional talks will be held. The first talks will be on the rights of minorities in the Baltics.

Andrey Kozyrev proposed the creation of a European University in one of the Baltic states, where instruction would be given in the local language and in Russian.

## Arrangements Made for Paying Debts to UN Bodies

*LD3105205994 Moscow INTERFAX in English 1835 GMT 31 May 94*

[Text] During the second quarter of 1994 Russia will pay 90 million dollars in order to cover a part of its debt to the budgets of the UN system organizations. The appropriate resolution was signed by Russian Premier Viktor Chernomyrdin.

During the third and the fourth quarters of 1994 Russia will pay 169 million dollars to the UN budget as membership dues.

Russia will also pay 14 million dollars to the UNESCO budget and 11 million dollars to the International Atomic Energy Agency. In accordance with the government resolution, during the third and the fourth quarter of 1994 the Russian Finance Ministry will allot 200 million dollars to pay its membership dues to the international organizations.

"The appropriate funds in foreign currency must be allotted from the resources which the federal budget has planned to use for non-trade operations," the resolution underlined.

### Kaliningrad Troops No Threat to Baltics, Poland

*LD0106145594 Moscow ITAR-TASS in English 1548 GMT 1 Jun 94*

[By ITAR-TASS correspondent Anatoliy Yurkin]

[Text] Moscow June 1 TASS—Russian land troops stationed in the Kaliningrad region pose no threat to the neighbouring countries, including Poland, Commander of the Russian Land Troops Colonel-General Vladimir Semenov said.

In an exclusive interview with ITAR-TASS on Wednesday, Semenov said that the troops in the Kaliningrad region, Russia's westernmost enclave, are not an "armoured fist threatening the Baltic Sea countries", and fulfill the tasks aimed at ensuring the national security of Russia.

He also stressed that Russia strictly observes its international commitments. Semenov said there are as many tanks and troops in the Kaliningrad regions as is necessary to ensure Russia's security.

### Last Three Warships Depart From Latvia

*LD0106144294 Moscow Mayak Radio Network in Russian 1200 GMT 1 Jun 94*

[Text] The Russian Navy withdrew from Latvia today. Admiral Yegorov, fleet commander, and Latvian Prime Minister Valdis Birkavs took part in a festive ceremony in the port town of Liepaja.

The last three Russian warships left this military port today.

### Chernomyrdin Visit to Latvia Postponed

*LD0106132394 Moscow ITAR-TASS in English 1225 GMT 1 Jun 94*

[By ITAR-TASS correspondent Gennadiy Yezhov]

[Text] Moscow June 1 TASS—Prime Minister Viktor Chernomyrdin's visit to Latvia, initially scheduled for the end of May, was put off until the end of the premier's two-week leave, which begins today, ITAR-TASS was told at the press service of the Russian Government.

It is planned to sign documents on economic cooperation between the two countries during Chernomyrdin's visit to Latvia, agreement on which was reached during Latvian President Guntis Ulmanis' visit to Moscow at the end of April, 1994.

### Official Denies Chernomyrdin To Visit Tbilisi

*LD0106141094 Moscow ITAR-TASS in English 1349 GMT 1 Jun 94*

[By ITAR-TASS correspondent Gennadiy Yezhov]

[Text] Moscow June 1 TASS—A Russian Government press service official denied mass media reports on Wednesday that Russian Prime Minister Viktor Chernomyrdin will visit Tbilisi during his vacation.

The official said that Chernomyrdin may visit Novorossiyisk where a new Russian port is being built, but most likely in the second half of his vacation.

The Russian prime minister is now vacationing on the Black Sea. His spokesman Valeriy Grishin said earlier today that during the vacation Chernomyrdin will continue working on the second package of economic decrees which is now being drawn up by the government.

The spokesman said that until the last minute it was not clear whether or not Chernomyrdin will take his leave now, mainly because of his active involvement in the work on the package of economic decrees aimed at continuing economic reforms in Russia. The first package was recently signed by President Boris Yeltsin.

Grishin denied reports that Chernomyrdin would work on his book during his vacation. "There will be simply no time left for that. Besides, he needs rest too," he said.

### Accords Initialled Following Talks With Kazakhstan

*PM0106113194 Moscow KRASNAYA ZVEZDA in Russian 1 Jun 94 p 1*

[Anatoliy Ladin report: "Russia and Kazakhstan: We Will Protect the Sky Together"]

[Text] Talks between Russian and Kazakhstani military delegations have ended.

Colonel General Vladimir Toporov, Russian Federation deputy defense minister, who headed the Russian delegation, said that several documents were initialed during the bilateral meeting. By and large, they will make it possible to continue work on strengthening the defense capability of both states and carry out scientific research and development. One of the initialed documents is designed to ensure interaction between the Russian and Kazakhstani air defense alert forces and systems.

### Grachev Meets With German Official

*PM0106114394 Moscow KRASNAYA ZVEZDA in Russian 1 Jun 94 p 1*

[Ravil Mustafin report: "Meeting in the Ministry of Defense"]

[Text] On 30 May Army General Pavel Grachev, Russian Federation minister of defense, held a meeting with

Michaela Geiger, parliamentary state secretary of the FRG Ministry of Defense in the Bundestag. Pavel Grachev noted that Russia's proposals on the NATO "Partnership for Peace" program were greeted with understanding among practically all the participants in the talks during the recent visit by the head of the Russian military department to the NATO headquarters in Brussels. Only certain details remain to be elaborated. Russia will be able to join the "Partnership for Peace" program within two or three weeks, P. Grachev noted. But for this to happen, Western countries should study these proposals and draw up a document through diplomatic channels which would express agreement with Russia's proposals.

The Russian defense minister's optimism is also connected with the fact that when he was in Brussels, Pavel Grachev "saw support for the Russian proposals on the part of FRG Defense Minister Volker Ruehe." "The greater the country the more they understand us," the head of the Russian military department noted. Unfortunately, unlike the ministers of defense of NATO countries, from whom Pavel Grachev perceived support and "a good attitude toward me and toward Russia," to use his own words, the CIS countries do not always display understanding toward the problems facing Moscow.

## Deputy Premier Receives Kuwaiti Parliament Speaker

*LD0106133094 Moscow ITAR-TASS in English 1128 GMT 1 Jun 94*

[By ITAR-TASS]

[Text] Moscow June 1 TASS—"Kuwait is prepared to change its legislation and adopt new laws if necessary to promote the development of larger-scale and long-term cooperation with Russia", Ahmad 'Abd-al-'Aziz al-Sa'dun, speaker of the Kuwaiti National Assembly, who leads a parliamentary delegation, told Russian First Vice-Premier Oleg Soskovets here on Wednesday. Mr. Sa'dun expressed gratitude to the Russian Federation for its support to Kuwait in upholding its independence.

Soskovets, having expressed appreciation of Kuwait's desire to strengthen its defence capacity, emphasised that high technologies in the Russian military industry would help resolve many a matter concerning Russian-Kuwaiti cooperation in this respect.

"But it is up to your parliament to decide on whether to endorse or turn down funds necessary for the purchase of this technology which we could sell to you", Soskovets added.

Russia would welcome Kuwaiti investments in various branches of the Russian economy to promote economic reform, Soskovets pointed out.

## Kuwaiti Embassy Condemns Actions of Pro-Iraqi Groups

*LD3105205294 Moscow ITAR-TASS in English 1746 GMT 31 May 94*

[By ITAR-TASS diplomatic correspondent Yuriy Tyssovskiy]

[Text] Moscow May 31 TASS—The Kuwaiti Embassy in Moscow has learnt that some Russian pro-Iraqi groups have circulated a statement to demand cancellation of economic sanctions against Iraq. They have also held a rally under this slogan in front of the Russian Foreign Ministry's building, says a statement for the press circulated by the embassy today.

The document was circulated before a news conference of head of the Kuwaiti parliamentary delegation and the Kuwaiti parliament Ahmad al-Sa'dun at the Russian State Duma.

The embassy is closely watching the activities of these groups. It reminds that economic sanctions against Baghdad were used in response to devastating consequences of the Iraqi attack at Kuwait.

If these groups really want to stop sufferings of the Iraqi people from sanctions, they should appeal to the Saddam Husayn regime and persuade it of the only way to achieve this goal - unconditional fulfillment of all resolutions of the United Nations Security Council on the Kuwaiti-Iraqi problem, says the document.

Iraq should recognize the Kuwaiti sovereignty and respect its territorial integrity, it should free and return home all POWs and civilians and unconditionally recognize the U.N. Security Council resolutions on demarcation of the Kuwaiti-Iraqi border, notes the statement.

## Shumeyko on Renewed Oil Cooperation With Venezuela

*LD0106115394 Moscow ITAR-TASS World Service in Russian 0535 GMT 1 Jun 94*

[By ITAR-TASS special correspondent Viktor Dmitriyev]

[Text] Caracas, 1 Jun—The processes of democratization and economic change which Russia and Venezuela are going through are in many ways alike and we are hoping to develop relations between our countries further. Russian President Boris Yeltsin said this in a message to President Rafael Caldera of Venezuela, which was conveyed to him on 31 May by Vladimir Shumeyko, chairman of the Federation Council, who is on a visit here. Shumeyko is leading a delegation from the Russian parliament on an official tour of a number of Latin American countries. The delegation has already been to Chile, Argentina, and Brazil.

The head of the delegation told an ITAR-TASS correspondent that he had given R. Caldera a draft treaty on

the bases of relations between the two countries. According to V. Shumeyko, a similar document was given to Venezuela last year, but consideration of it was put off because of political problems being experienced at that time by both countries. "The time has now come to go back to it, and the president of Venezuela and the foreign minister fully agree with me on this," the head of delegation said.

On the same day the chairman of the Federation Council addressed the Senate of the National Congress of Venezuela. "We are firmly convinced that the Latin American states, including Venezuela, are potentially important partners for us in the realm of political, commercial, and economic relations," V. Shumeyko said. "Our task is to maintain and increase as far as we are able our presence in the region and continue mutually advantageous relations with the countries of Latin America, on the basis of a realistic vision of our common interests and capacities and rejecting ideology-based approaches and stereotypes." The head of the Russian delegation expressed an interest in setting up contacts with leading regional organizations like the OAS and the Rio de Janeiro Group.

Speaking about ties with individual countries in Latin America, V. Shumeyko stated the Russian leadership's intention to continue cooperation on many levels with Cuba. He said this cooperation "after certain difficulties is once again becoming active and is founded on a fundamentally new, mutually beneficial basis."

V. Shumeyko stressed the importance of developing interparliamentary ties with the countries of Latin America. Having pointed out that the Russian parliament has a colossal job of work to do to bring outdated legislation into line with the stipulations of the new Constitution, the head of the Federation Council stressed that Russia's parliament is very much in need of foreign experience, including that of the Latin American countries.

During meetings with representatives of the government, members of parliament, and journalists, V. Shumeyko several times mentioned economic cooperation between Russia and Venezuela. According to him, there are now favorable conditions for the development of these ties. He said that the extraction, processing, and distribution of oil is one of the main areas. The chairman of the Federation Council stated the desire of Russia's leadership to resume the practice current up to 1991 of supplying Russian oil to Venezuela's partners in Western Europe in exchange for equivalent supplies of oil from Venezuela to Russia's partners in the Western hemisphere. Another important aspect is the construction of assembly lines producing Russian VAZ and KamAZ motor vehicles, which have a good reputation on Venezuela's roads. V. Shumeyko also noted highly promising prospects for cooperation in mining and advanced technology.

## Shumeyko-Led Delegation Visits Ecuador, Venezuela

*LD0206083694 Moscow ITAR-TASS in English 0816 GMT 2 Jun 94*

[By ITAR-TASS special correspondent Viktor Dmitriyev]

[Text] Quito June 2 TASS—"In spite of the huge distance, separating Russia and Ecuador, our two countries are unanimous in their desire for peace, broader democracy and economic renovation," Chairman of the Council of the Federation (upper chamber of the Russian parliament) Vladimir Shumeyko told journalists at the airport here on Wednesday. He heads a Russian parliamentary delegation which arrived here from Venezuela. This is the last lap of its official tour of several Latin American states, including Chile, Argentina, Brazil, and Venezuela.

"The Russian Federation's special friendliness towards the Republic of Ecuador is confirmed by President Boris Yeltsin's message, which I will present to President Sixto Duran-Ballen Cordovez," Shumeyko added. "An Ecuador-Russia chamber of commerce will be inaugurated during the delegation's visit to Ecuador, the very name of which testifies to the country's unique geographical location." Shumeyko is expected to address local businessmen, while members of the delegation will meet representatives from the government, parliament and business circles.

The agenda of the delegation's stay in Ecuador includes a visit to the Galapagos Islands. This unique preserve, declared the property of all mankind by the UNESCO, is under the jurisdiction of Ecuador.

On the eve of its departure from Venezuela, the delegation met leaders of the Ministry for Power and Mining. The Venezuelan side touched on the possibility of Russia's accession to the OPEC, stressing that their country would welcome such a step. Chairman of the Committee for Economic Reforms, Property and Property Relations of the Council of the Federation Vitaliy Zelenkin assured the Venezuelans that the Russian leadership was closely following all the OPEC activities. He said that the question of Russia's accession to that organisation might be considered shortly.

The talk also touched on the resumption of bilateral cooperation within the frameworks of the so-called "oil triangle", interest in which was expressed by Russian representatives. Until 1991, the USSR had delivered oil to several European countries to meet Venezuela's commitments to them, while the latter supplied oil to Russian partners in the Western hemisphere, primarily Cuba. The sides agreed to discuss these subjects during the visit that is to be paid to Moscow by the Venezuelan minister for power and mining. The visit is expected to take place already this year.

## Official Denies Experts Making Weapons in PRC

*LD0106184594 Moscow ITAR-TASS in English 1812 GMT 1 Jun 94*

[By ITAR-TASS correspondent Vladimir Solntsev]

[Text] Moscow June 1 TASS—About 1,000 Russian specialists work in China, well-informed sources told ITAR-TASS on Wednesday.

However, the sources denied reports published by the U.S. NEWS AND WORLD REPORT magazine that "thousands" of scientists and technicians from the former Soviet Union work under contracts in China and help design and produce modern weapons.

"I do not rule out that there may be contracts under which our technical specialists go to China. But I doubt it very much that there are so many of them. All the more so because so sensitive spheres of cooperation are involved. I think that if such cases exist, there are only a few of them," a Russian Foreign Ministry top official said.

"'Thousands' is an absurd figure. Until lately we did not have facts that someone worked in the sphere of arms production," an official with the Russian foreign intelligence service said.

However, other sources said that China has certain interest in Russian specialists, particularly in the sphere of aircraft building. Those who go to China are either of no interest for western countries, or know too much to be allowed to go to the west. In China they earn about 1,000 U.S. dollars a month on the average. This is much less than they could make in the west, but much more than they earned in Russia, the sources said.

## Commentary Views Chernomyrdin Visit to China

*OW0106193794 Moscow Radio Moscow in Mandarin 1000 GMT 31 May 94*

["Brief commentary" by station commentator Mulatov from the "Half an Hour With Wang Xiao" program]

[Text] The seven agreements between Russia and China signed during the Russian delegation's visit will strengthen and continue the equal and mutually beneficial cooperation achieved over the last few years in economics, trade, science and technology, and other fields. Setting their sights on the future [words indistinct] the two countries have decided to raise the neighborly and friendly relations between them to a new level of development—says a report on the outcome of [words indistinct] visit to China. The document, which sums up the outcome of the visit, also says the two countries will take full advantage of their geographical closeness and make full use of the complementariness between the two countries' economies. Both Moscow and Beijing understand that the neighborly and friendly relations and the mutually beneficial cooperation between them are in line with the fundamental interests of the two countries and their peoples and are an important factor for preserving peace and stability and for ensuring development in the Asia-Pacific region as well as in the whole world. We also like to point out that the Russian delegation's visit to China was widely reported in detail by the media of Eastern and Western countires. At the beginning, some Western media doubted that Russia might have an intention to develop bilateral military technology cooperation with China. Such cooperation will be developed under the condition that the two countries fulfill their international obligations—this should not cause anyone to be suspicions.

During the talks, the two sides stressed the importance of reaching an agreement on taking measures as soon as possible to reduce their troops and armament and military trainings in disputed areas. They believed this will not only enhance mutual trust and understanding between the two countries, but also will contribute to preserving peace and stability in the Asia-Pacific region.

During their talks, Chernomyrdin and Li Peng also discussed international issues of common interest. The two countries' identical and similar stands on some major international issues were confirmed. This will be the foundation for the two countries to strengthen their constructive cooperation in regional and world affairs.

In short, the dialogue between the two governments has yielded good results. Currently, the two sides are preparing for Chinese President Jiang Zemin's visit to Russia. The two countries believe that positive dialogues at all levels, including the highest level, are prerequisites for promoting neighborly and friendly relations and mutually beneficial cooperation between them.

## Contract Agreed for MiG-29 Sale to Malaysia

*LD0106143494 Moscow ITAR-TASS World Service in Russian 1320 GMT 1 Jun 94*

[By ITAR-TASS correspondent Vladimir Nadashkevich]

[Text] Moscow, 1 Jun—A high-ranking spokesman for the Russian Foreign Ministry today called a contract for the sale to Malaysia of 18 MiG-29 fighters expected to be signed in Kuala Lumpur on Tuesday "the deal of the century". "We are in the South-East Asia arms market for the first time after 30 years' absence, having cut it all back after the events in Indonesia in 1965," he said in an interview with an ITAR-TASS correspondent.

According to Anatoliy Khmelnitskiy, deputy director of the Russian Foreign Ministry Second Department for Asia, the contract was finally agreed "literally just a few hours ago" and there are no outstanding issues. It remains only to sign the document, which will happen on 7 June. The first Russian fighter will be supplied in April next year. Full implementation of the project is calculated to take 25 years, as it concerns creating a broad infrastructure in Malaysia.

There has been a fierce struggle since 1992 among major foreign arms producing companies for the Malaysia contract, which Russia has won. Now, after Malaysia, there are specific proposals coming from other countries in the region, Anatoliy Khmelnitskiy said. We need to be quick, the market is full of offers, the Russian diplomat stressed.

## Japanese Vessels Violate Russia's Sea Border

*LD0106122994 Moscow INTERFAX in English 1012 GMT 1 Jun 94*

[Text] Japanese schooners violated Russia's sea borders twice on Tuesday in the section controlled by the 11th post of the South Kuril border detachment. The Russian border troops' press bureau told INTERFAX that five and then another four Japanese schooners had violated the Russian border in the afternoon and evening May 31. All of the schooners were ousted from Russian territorial waters.

## Political Issues

### Yeltsin's Private Remarks at FCS Conference Reported

*MK0106124094 Moscow KOMMERSANT-DAILY in Russian 1 Jun 94 p 14*

[Anna Streltsova report: "Press Conference at the St. Petersburg FCS. Counterintelligence To Busy Itself With Vetting Officials' Incomes"]

[Text] The St. Petersburg directorate of the Federal Counterintelligence Service [FCS] held a press conference devoted to "National Security and Fighting Crime." In it, directorate chief Viktor Cherkasov revealed the contents of a closed discussion Boris Yeltsin had with FCS chiefs on 26 May. It was also intimated at the press conference that several draft laws have been prepared by the State Duma providing for a stronger control on officials' incomes, something that will be done by the FCS among other agencies.

As KOMMERSANT-DAILY has already written, following an extensive report read out to the FCS staffers Boris Yeltsin held a discussion with chiefs of the service whose contents were not made public. Viktor Cherkasov briefly expounded its main points at yesterday's press conference. In his words, Boris Yeltsin assured the FCS chiefs that the large-scale reorganization of its subdivisions was basically over, while the investigation apparatus as well as special subdivisions to combat crime, which are not yet on its payroll, would revert to the FCS. All these things are envisioned in the draft of a new law "On The Organs of the Russian Federation Counterintelligence Service."

According to Mr. Cherkasov, Boris Yeltsin explained to the counterintelligence service staff that from now on they will also have to work against the special services of the "near abroad" countries which have grown more active. The FCS is also supposed to supply the top organs of power of Russia with information on the current processes in the economy. On the basis of this information, the president promised "to take the most resolute actions in the sphere of governing the state."

Aleksandr Aleksandrov, State Duma deputy elected in St. Petersburg and chairman of the Duma national security subcommittee, stated at the press conference that "interaction in matters of juridical policy" was finally achieved by the government and the president. Several draft laws developed by the subcommittee aim at improving the material status of officials while simultaneously at stepping up the fight against abuse of office and graft, for which purpose FCS officers may be pressed into service. The authors of the drafts think it necessary that all officials should be obliged to declare their incomes, while they should be from time to time "vetted as to being susceptible to taking bribes," something regarded as a provocation by opponents of these innovations.

In connection with the president's proposals, some officers of the FCS directorate voiced to your KOMMERSANT-DAILY correspondent the fear that at this stage the objectives set cannot be reached effectively because the repeated reorganization of the service did not serve to retain its personnel. It is possible, for example, that not all former members of the FCS investigation apparatus would want to resume their former positions after receiving more attractive offers in other subdivisions of the counterintelligence service.

### Solzhenitsyn Seen as Possible Presidential Candidate

*LD0106190994 Moscow INTERFAX in English 1541 GMT 1 Jun 94*

[Text] Democratic and centrist forces may support a single candidate, renowned writer Aleksandr Solzhenitsyn, at the next presidential elections in Russia, one of the Democratic Russia movement leaders supposed.

A co-chairman of Democratic Russia, priest Gleb Yakunin told Interfax Wednesday that "all democratic and centrist forces must unite to nominate a single candidate for the presidency, otherwise a nationwide disaster will happen."

In his opinion, such politicians as Yegor Gaydar, Grigoriy Yavlinskiy or Sergey Shakhray have very little chance of winning the presidential elections in 1996, as all of them are inferior to Solzhenitsyn.

At the same time, Yakunin said he was concerned and worried over some of the statements by Solzhenitsyn who had returned to Russia last month after a 20-year exile with respect to the national policy and the "Gaydar-Chubays line in the implementation of economic reforms."

However, Solzhenitsyn's point of view may change as he gets to know Russian reality.

According to the Russian Constitution, a citizen residing in Russia for no fewer than ten years may be elected as president.

### Zhirinovskiy Favors Referendum on Territorial Set-Up

*LD0106121694 Moscow INTERFAX in English 1012 GMT 1 Jun 94*

[Text] Liberal-Democratic Party leader Vladimir Zhirinovskiy told representatives of the Islamic Cultural Center that after coming to power, his party would hold a referendum on dividing Russia into guberniyas (provinces), the Liberal-Democratic Party's Press Secretary Grigoriy Serebrennikov told INTERFAX.

Zhirinovskiy believes that the current national-territorial division of Russia breeds conflicts.

Asked about his attitude to the Muslims, Zhirinovskiy said that the Liberal-Democratic Party was a secular

party and that it was tolerant of all religions. He also noted that Tatar Akhmet Khalitov was his party's vice-chairman.

Serebrennikov stated that the meeting was attended by religious and public figures from Azerbaijan, Tatarstan and Dagestan.

### 'People's Patriotic Union' Announces Debut

*MK0206081094 Moscow SEGODNYA in Russian 2 Jun 94 p 3*

[Viktor Khamrayev report under the "Vegetation" rubric: "'People's Patriotic Union' Needs a Great Russia and Socialism. Only 'Genuine Patriots' Will Be Admitted to The Newest Political Organization"]

[Text] Today's Russia, "robbed and divided by multinational companies," will become revived "as a Great Power... on the road of socialism" only through the efforts of patriots whose unity is supposed to lend them strength. The founders of a "People's Patriotic Union" (PPU) see no other road for their country, as they stated at the debut of the new (three-week-old) political organization of patriotic orientation.

That the patriotic spectrum of the Russian political reality is saturated does not deter members of the PPU coordination council, who include Boris Isayev, Yuriy Voronin, and Boris Tarasov among others. According to PPU Coordination Council Chairman Aleksandr Sarychev, "The more parties, the better; natural selection will take over and the unnecessary ones will die out." Besides, Mr. Sarychev explained, the new "Union" called upon to unite "only genuine patriots of Russia," without engaging in a standoff with the patriotic camp, will at the same time become an alternative to it owing to the fact that the PPU "is not going to thrust any philosophical dogmas on anyone."

The "Union" is open for individual and collective membership, and for the sake of the revival of Russia it is prepared to cooperate with everybody save "extremists, nationalists, and fascists." Mr. Sarychev declined to specify whom precisely the PPU regards as fascists and nationalists, voicing the hope that "these organizations may change their mind yet and give up their current ideas."

An economic program that the PPU has already managed to start formulating was described by one of its developers, Yuriy Voronin, doctor of economic sciences. Recognizing that "Gaydar's course of reforms" has "the right to exist," and denying this right to "today's resultant changes made by pseudo-democrats," Mr. Voronin maintained that bringing the country out of "the structural crisis is possible only through increasing in every way the state's influence on the economy." As for prosperity, the chief economist of the PPU is convinced, Russia can achieve it "only if it embarks on the road of a socially just system—socialism." The compilers of the program allow for free market and private ownership elements, however, but only "in proportions acceptable for Russia."

In their day-to-day activities members of the PPU will be, "without endless meetings,... constructively criticizing the government" and preparing in their own midst competent politicians for all the power branches. "People's Patriots," according to the assurances of their leaders, do not share the calls by some opposition parties for early presidential elections since they are confident that a disunited opposition will be defeated. In this connection, the "People's Patriotic Union," which so far has 562 members, is planning, without hastening events or limiting their activities to Moscow, to create their structures all over Russia. In a single, organized bloc, Borisov is confident, the "patriots will come to power beyond any doubt."

### Questions Raised About 'Acting' Prosecutor's Powers

*PM0206080194 Moscow IZVESTIYA in Russian 28 May 94 p 4*

[Valeriy Rudnev article: "Aleksey Ilyushenko's Powers Have Been Terminated, but He Is Continuing To Perform the Duties of General Prosecutor"]

[Text] As we know, on 25 April the Federation Council rejected the nomination of Aleksey Ilyushenko for the post of general prosecutor as put forward by the president, and suggested to Boris Yeltsin that he should submit a new candidate for this high office within two weeks. Since then a month has passed. A. Ilyushenko's powers, as instructed by the upper chamber of our parliament, have been terminated, but he is continuing to perform the duties of general prosecutor.

The issue of the general prosecutor's position would not have been the focus of such intense public interest if A. Ilyushenko's duties been restricted to administrative, economic, and cadre issues. Ultimately, however, somebody must administer the complex prosecutor's office: Sign reports, hire and fire personnel, distribute responsibilities, and mete out punishment and encouragement.

But this is precisely where the problem lies, the fact that the general prosecutor is not just the director of a department, but first and foremost a procedural figure whose rights and responsibilities are strictly regulated by the Constitution and the law. The slightest deviation from the procedure for appointing a general prosecutor and installing him in office casts doubt on the legality of his decisions and could paralyze the activity not only of the Prosecutor's Office but of other legal departments as well.

Strictly speaking, the law does not recognize the position of acting general prosecutor. There is a general prosecutor appointed in compliance with all the formalities. It is clear that a quick decision was needed in the acute

political situation which developed after the sudden resignation of A. Kazannik. Only the president could make such a decision. And he made the following decision: A temporary, acting director was appointed to the Prosecutor's Office. Let us assume that during the two-week period stipulated by the Federation Council, A. Ilyushenko's stint in the job of general prosecutor was entirely proper and correct. And then what?

What would happen, for example, if A. Ilyushenko were to turn up at a session of the Russian Federation Supreme Court Presidium and deliver a judgment on some question or other, for example on the practice of applying the death penalty? How should the highest legal office respond to this? Should it take account of A. Ilyushenko's opinion as the judgment of the fully empowered general prosecutor? Or should it regard him as an ordinary legal officer, despite the fact that he happens to be acting general prosecutor?

But let us not bog ourselves down with rhetorical questions of this kind—for the time being A. Ilyushenko is not daring to come to Supreme Court sessions. On the other hand, having gotten a feel for cadre reshuffles (his most recent involved the replacement of practically all the general prosecutor's deputies), he has started to make procedural decisions like a real constitutional general prosecutor. For example, the length of time defendants can be remanded in custody has been extended to 18 months.

One of the first such decisions he made concerned the case of Dmitriy Fedorov. This is a fairly well-known case which has attracted considerable press attention, including information provided by the militia. For a year now specialists from the investigation department of the Moscow Internal Affairs Main Administration have been trying to prove the successful businessman guilty. Admittedly, they are acting in accordance with the old procedures: First of all they take the suspect into custody, then they begin to look for evidence against him. But the indications are that all has not gone smoothly in the investigation's quest for evidence: Fedorov has been in custody for a year, he has not been presented with any evidence, and the case has not been sent to court. And there is no sign of its coming to court in the near future either, because over the year the investigation has visited Fedorov just twice, and that was for formal reasons.

However, the issue is ultimately nothing to do with the investigation and evidence in the Fedorov case—it is about the position of Russia's acting general prosecutor. He signed the decree extending the length of custody. The die is cast, so to speak. And now the question arises: Is Aleksey Ilyushenko empowered to make procedural decisions which have legal consequences when the only person empowered to do this is the constitutionally appointed general prosecutor?

We will soon get an answer—following a complaint by Fedorov's lawyer, the legality of extending the length of time Fedorov may be held in custody will be checked by a court.

## Yeltsin Seen as 'Hostage' of State Machinery

*PM0106154194 Moscow IZVESTIYA in Russian 31 May 94 p 2*

[Article by Sergey Chugayev: "Banking on the State Apparatus, or the Latest Attempt To Overcome the Crisis"]

[Text] There is every basis for calling the publication by the Russian president of a package of economic edicts, and also news of his support for an increase in budget expenditure of almost 28 trillion rubles, the most important political events of the past week. Despite their strictly economic content, the political consequences of these decisions are quite major.

These two facts alone are entirely sufficient to draw the conclusion that changes are taking place today in the Kremlin, and there are grounds for talking about a search for a new political strategy to overcome the crisis. The situation looks all the more important in the light of the spiraling decline of the regime's social, financial, and military support.

The president received the most recent painful blow from the State Duma, which officially questioned the results of the referendum on the Constitution and instructed the Credentials Commission to verify the vote. This, despite the opinion of representatives of the president's team, is a blow to the legitimacy of the president, not of the Federal Assembly. It is the fate of the referendum that is at stake. In addition, according to natural law, power should belong to the people and their representatives. Therefore, in subjecting the results of the elections and the referendum to review, the Duma in particular is risking very little.

In the course of the past month, since the start of the campaign to sign the Treaty on Social Accord, the president has adopted a number of decisions which contravene the Constitution and existing legislation. In addition to signing the Law on the Status of Deputy adopted by parliament—which B. Yeltsin himself acknowledged as contravening the Constitution—he has signed six economic edicts. And in the opinion of many specialists—in particular Central Bank Chairman V. Gerashchenko—they contravene such legislative acts currently in force as the Law on Enterprises, Property, and Bankruptcy and the RSFSR Civil Code. General Prosecutor A. Ilyushenko remains in his post, despite the Constitution's requirements. The country still has no Constitutional Court.

It is perfectly obvious that a painful search is under way in the president's entourage for a solution to the unstable political situation, which is exacerbated by the intensifying economic crisis. The question is what this solution will be.

There are currently weighty grounds for suggesting that the choice could be made in favor of strengthening the state apparatus and the power of functionaries. At any

rate, this follows from the revised draft of the federal budget. The role of the special services in politics is markedly increased. This is confirmed not only by the president's speech to officers of the Federal Counterintelligence Service last week. Among the edicts signed by B. Yeltsin last week is one extremely curious edict which has nothing to do with the economy: the edict setting up another department in the Presidential Staff—for collaboration with the Federal Assembly. Though it is well known that structures ensuring collaboration with parliament have been functioning smoothly in the Presidential Staff for a long time already. This includes the president's official representative, A.M. Yakovlev.

One of the department's officially defined tasks is "to inform the president on the mutual relations among the factions and groups of deputies in the Federal Assembly chambers." A. Loginov, who formerly worked in the Ministry of Fuel and Energy, has been put in charge of the new department. In recalling him, his former colleagues from the ministry slap one another on the back knowingly.

It seems that this tendency, which can be clearly seen today, to gamble on strengthening the state apparatus and the special services in the search for a solution to the political crisis does have its own logic. On the one hand, the president's agreement to increase budget expenditure, primarily in favor of the military-industrial complex, and the publication of economic edicts benefiting the military-industrial complex objectively presuppose an increased state role in the economy, and, as a consequence, in politics. On the other hand, the adoption by parliament of an inflationary budget could well lead the country to an extremely severe economic crisis by as early as this fall. And then a change of government will inevitably be required, with the appearance in the executive leadership of people capable of taking tough measures. Including state regulation of the economy.

And if you stretch out the chain of logic further, it seems perfectly apt that, according to trustworthy sources, on the eve of the publication of the edicts and the adoption of the decision to support increased budgetary expenditure, the president was visited by Yu. Skokov. A man who, as is well known, enjoys the reputation of being a powerful administrator capable of decisive actions.

It would appear that Yu. Skokov has fully assessed the statement made some time ago by S. Shakhray that it is he, Skokov, who is the most probable candidate to replace V. Chernomyrdin and is doing everything to avoid refuting the opinion of his former colleague in the president's team. Today the political standing of this leader is stronger than ever. Yu. Skokov has begun the formation of his own party on the basis of the "New Regional Policy" parliamentary group and the Union of Commodity Producers. He also enjoys support, as far as is known, in the Presidential Staff. Primarily from V. Ilyushin, who is drawn to Yu. Skokov by many things, including—to judge by a recent interview in TRUD—an inclination toward "closed policy." It would appear that the president's chief aide has already decided for himself whose side he will be on in the event of B. Yeltsin's retirement from active service.

Today the president seems to be attempting to maneuver politically in an increasingly narrow space. The economic problems are insoluble. The military-industrial complex is a millstone round the country's neck. And there are no recipes on how to cast off this millstone while saving our head. B. Yeltsin's former major political support base—the people—are increasingly shying away from politics. In effect the president is becoming hostage to the forces on which he gambled last October and on whom his power rests today—the bureaucracy, the power structures, and the special services.

## Economic Issues

### Chernomyrdin, Yeltsin Confer on Economy

*LD0106154794 Moscow Russian Television Network in Russian 1200 GMT 1 Jun 94*

[From the "Vesti" newscast]

[Text] This morning, before the start of his short leave, Viktor Chernomyrdin, the head of the Russian Government, met with Boris Yeltsin. Questions of the economy were the subject of the conversation. The drafts of new normative acts connected with deepening the reforms, regulating the procedure of the bankruptcy of enterprises and questions concerning the work of banks, including foreign banks, were examined. The meeting also featured the implementation of the Russian president's latest economic edicts.

With the agreement of Boris Yeltsin, Viktor Chernomyrdin entrusted first deputy prime minister Oleg Soskovets, with the leadership of the government's work in his absence.

### Chernomyrdin To Continue Working on Economic Edicts

*LD0106134794 Moscow ITAR-TASS in English 1301 GMT 1 Jun 94*

[By ITAR-TASS correspondent Gennadiy Yezhov]

[Text] Moscow June 1 TASS—Russian Prime Minister Viktor Chernomyrdin vacationing on the Black Sea will continue working on the second package of economic decrees which is now being drawn up by the government, governmental spokesman Valeriy Grishin said on Wednesday.

Grishin said that first vice-prime minister Oleg Soskovets will substitute for the premier for the duration of his two-week vacation which he will spend in the Black Sea resort city of Sochi.

The spokesman said that until the last minute it was not clear whether or not Chernomyrdin will take his leave

now, mainly because of his active involvement in the work on the package of economic decrees aimed at continuing economic reforms in russia. The first package was recently signed by president Boris Yeltsin.

Grishin denied reports that Chernomyrdin would work on his book during his vacation. "There will be simply no time left for that. Besides, he needs rest too," he said.

## Fedorov Deems Economic Edicts 'Better Than Nothing'

*PM0106160994 Moscow IZVESTIYA in Russian 31 May 94 p 2*

[Article by State Duma deputy Boris Fedorov: "New Phase of Reforms?"]

[Text] Just over four months after the "pause" in the reforms the president has had to grasp the initiative and issue a number of edicts.

Why it is necessary to talk of a "pause" can be judged by the fact that, in March-April alone, the government issued around 500 decrees and directives, of which not one had any direct bearing on economic policy.

The edicts on the abolition of export quotas and licenses, on the inclusion of the federal road fund in the budget, and on the operation of virtually all sector funds through the budget can be called unquestionably reformist. True, all this was suggested a year ago, but then the resistance of sector lobbyists could not be overcome. With the inclusion of the majority of funds in the budget the field for corruption is considerably reduced.

It is indeed essential, as is envisaged in the edicts, to reduce profits tax and value-added tax by 19-20 percent, but the increase in taxes on individuals and property does not elicit enthusiasm. We have still not restored living standards even to 1990's indicators, and that means that the time to increase citizens' taxes has not yet come. On the contrary, the middle class must be help to get on its feet. It is my conviction that proposals which are being floated to tax interest on savings and to tighten up the regulation of enterprise consumer funds should by no means be supported.

The president's desire to reduce the number of tax and customs privileges is undoubtedly correct, although at the same time it would not be a bad idea to determine who granted them and why. Export duties should have been abolished long ago. But the attempt to help unprofitable agriculture by reducing value-added tax to 10 percent is unlikely to bring tangible results. It is far more important economically to force agrarians to battle to cut costs resulting from losses.

In talking of the merits of the signed edicts, it is impossible, on the other hand, to overlook their careless professional and juridical elaboration. With a "live" parliament it is an extremely risky business to adopt decisions which come under its jurisdiction. Therefore the question as to whether standard contributions to the social security fund will be reduced from 1 June or whether tax privileges will be given to enterprises with foreign investors remains open.

In principle, the aforementioned decisions deserve support, but their legality is open to doubt.

The decision on the wholesale introduction of the compulsory universal certification of the opening of accounts, with numerous penalties for deviations from the new rules, cannot be deemed market-oriented and reformist. The authors have evidently forgotten that any enterprise has a balance sheet and accounts books. If any funds do not pass through these records, this is a deception of shareholders and clients. Certification of the opening of accounts will be of very little use in filling the state coffers if people are determined not to pay taxes.

The introduction of more stringent penalities for violation of tax legislation and the rules for handling cash receipts is undoubtedly timely. But will yet another administrative offensive on cash transactions help here? The impression arises that, instead of improving the payments system, which itself makes cash transactions simply unprofitable (only purely criminal cash transactions now take place), some people are reviving the old Soviet ideas of separating cash and noncash turnover.

I was surprised by the introduction by presidential edict of yet another new procedure for enterprises and organizations to use the money in their accounts. It seems that the document's authors are thinking only of loss-making state enterprises and have forgotten that there are thousands of private firms in Russia who are increasingly annoyed by the expanding bureaucratic state protection.

The introduction of transferable securities as a means of reorganizing the debts of enterprises, which was blocked after the president's edict of 19 October 1993, should have been expanded long ago. On the whole the innovations in the payments sphere violate the principle of the Central Bank's independence. In my view, this is unlawful and can lead to no good.

No noble purposes can justify the violation of laws, especially if this violation comes from the top. In my view, should it turn out that parliament is for any reason incapable of carrying out normal legislative activity, new elections should be held and the electoral law should be changed; but the Duma should not be turned into a talking shop for deputies.

The general impression given by this series of edicts is: several correct measures, several administrative exaggerations, and a few doubts over the legality of some of the decisions. At any rate, it is better than nothing.

### Reponsibility for Reform To Be Shared With Regions

*LD0106114494 Moscow Russian Television Network in Russian 0400 GMT 1 Jun 94*

[From the "Vesti" newscast]

[Text] The end of check privatization will give the government the opportunity to depart fully from the present economically fruitless tactic of denationalization. At a recent meeting between [Prime Minister] Viktor Chernomyrdin and the heads of regional administrations, it was said that the government intends to share responsibility for changing the tactics of reform with regions which have not yet even defined their attitude to it.

### Yeltsin Support for Financial Service Bill Sought

*MK0206082094 Moscow SEGODNYA in Russian 2 Jun 94 p 2*

[Aleksandr Bekker report in the "Projects" column: "Boris Fedorov Has Appealed to Boris Yeltsin. The Ex-Minister Proposed to Use the Law to Protect Consumers' Rights in the Sphere of Financial Services"]

[Text] The recently proliferating "instances of collapse and outright fraud on the part of such financial establishments as the Independent Oil Concern, Fisko, and Impulsinvest" has prompted State Duma subcommittee chairman Boris Fedorov to turn to Boris Yeltsin. The former finance minister drew the president's attention to the fact that apart from material losses, thousands of defrauded citizens are losing trust in the reforms and the policy pursued by the head of state.

The emergence and collapse of "scam" companies is the result of weak legislative regulation; moreover, state bodies, in Mr. Fedorov's opinion, have shunned decisive action. This situation is used by the media, spreading advertisements for a multitude of dubious firms.

Invoking his right to initiate legislation, deputy Fedorov officially submitted to the State Duma a draft law On Protecting Consumers' Rights in the Sphere of Financial Services. The author subsumes under the category of financial services soliciting deposits, conclusion of contracts on any forms of monetary fund management, and any form of mediation in securities operations. Said services may be provided both in the Russian national currency and in foreign exchange. These services may be provided only based on a license issued by the Central Bank, the Finance Ministry, or another regulating body.

To make sure that the consumer does not make a blind choice, an article in Fedorov's draft obligates the provider of financial services to present all the relevant information, an unambiguous description of his services, and the actual interest rate on income or fixed dividend at an annual rate, if such is guaranteed. For its part the Central Bank and government institutions, in order to curb the activity of bogus firms, shall verify, on requests from private citizens or corporate entities, the authenticity of financial services offered by their organizers.

The Central Bank and the Finance Ministry must regularly publish both "black" and "white" lists of firms that have received licenses and forfeited the right to operate on the financial services market. "Violators of the convention" are to be fined to the extent of 1,000 times the minimum monthly wage. Punishment is also to be apportioned to directors of media outlets that have advertised subsequently banned firms providing such "services." The fine, however, is envisioned at only half the above rate. It is extremely important that "in the event that the activity by an organization offering financial services is suspended...the body responsible for this decision...be obliged to take all possible measures to protect the impounded funds, including from inflation...by temporarily investing them in reliable and sufficiently profitable financial market instruments."

Noting that its passage through the Duma can drag out, Boris Fedorov asked Boris Yeltsin to use this draft in preparing a corresponding presidential edict.

### Shokhin on Steps To Resolve Debt Crisis

*LD0106171594 Moscow INTERFAX in English 1336 GMT 1 Jun 94*

[Text] The Russian government will not impose mutual debt cancellation on factories even though overdue debts have grown in April in both quantitative and qualitative terms, Deputy Prime Minister Aleksandr Shokhin said. He told the Federation Council that this would be inflationary.

According to Shokhin, the budget revenue was eight trillion rubles short of the target in the first four months of the year. The debts to banks amounted to 6.5 trillion rubles, to the suppliers, 23 trillion rubles and to the customers, 28 trillion rubles in the first quarter of 1994.

Shokhin said that reducing the inflation rate, which has ranged between eight and nine percent a month, and issue of treasury bills to pay 800 billion rubles of the state debt to factories were the priority steps in resolving the debt crisis.

He added that the government would continue centralized crediting of factories; in particular, the Central Bank had allocated four trillion rubles for that purpose.

Shokhin promised that the government would follow through on the procedure of declaring insolvent factories bankrupt. Twelve factories out of more than 1000 are under close scrutiny the results of which will be discussed by the government in mid-June, he said.

### Unemployment Level Expected To Continue Increasing

*PM0206082594 Moscow IZVESTIYA in Russian 28 May 94 First Edition p 2*

[Tatyana Khudyakova report: "Number of Unemployed Grows Slowly but Surely"]

[Text] As of 1 May the State Employment Service had 1,459,000,000 citizens registered as not having a job [ne imeyushchiy raboty], of whom 1.18 million were acknowledged as unemployed [bezrabotnyy]. April saw almost 100,000 people deprived of a livelihood "signing on" at the labor exchanges. The unemployment level for Russia as a whole stands at 1.4 percent.

There are not many vacancies—325,000 jobs in all, of which 83 percent are intended for workers and only 17 percent for employees. The number of applicants per post, namely four people not in regular work [nezanyatyy] and three unemployed people for each one, gives an idea of the scale of the problem. However, there are regions where jobs are like gold dust. In terms of applicants per vacancy there are 255 in the Ingush Republic, 51 in Ivanovo Oblast, and 31-35 citizens without regular work in Dagestan and Chuvashia.

Only 285,000 Rusians have been able to obtain work this year through the employment service, and their number also includes those who were able to receive vocational training and retraining.

There has been a slight increase in the number of people who have fixed themselves up with public works jobs and improved, albeit temporarily, their material position—they number 38,000 since the start of the year.

The Russian Federation Government Center for Monitoring Economic Conditions has prepared on the basis of the employment services' data a short-term forecast of the situation in the labor market in terms of Russia as a whole and individual regions covering the next few months. It is expected that May's unemployment figure will reach 1,284,000,000, June's will increase by roughly another 100,000, while July's will reach 1.52 million. The unemployment level by mid-summer will reach 1.7 million.

The highest rate of increase in the number of unemployed people continues to occur in Ivanovo, Yaroslavl, Kostroma, Pskov, and Vladimir Oblasts; the lowest rate of increase is in Tatarstan, Yakutia, Smolensk and Belgorod Oblasts, and Moscow city.

### Shokhin, Gerashchenko View Latest Economic Package

*MK0106101094 Moscow NEZAVISIMAYA GAZETA in Russian 1 Jun 94 p 1, 2*

[Ivan Zasurskiy report in the "Economics" column: "The Government and the Central Bank Have Taken a Hand in the Edicts. Shokhin Does Not Care for Glazyev's Position"]

[Text] Yesterday two news conferences on economic policy at the level of top government officials were held in Moscow. First Viktor Gerashchenko met with journalists in the Central Bank on the occasion of State Bank Day (old style). In the White House [Vice Premier] Aleksandr Shokhin, in the company of Deputy Finance Ministers Aleksashenko and Kazmin; Tax Service chief Vladimir Gusev; and Mr. Gerashchenko, who arrived hurriedly in his Zil limousine straight from the Central Bank, at 1210 began to take questions from the newsmen.

In the White House, several subjects were discussed, the most urgent among which was the extent of the government's involvement in drafting presidential edicts. Shokhin stated that its participation has been more than substantial, stressing that in the future the cabinet will be more actively promoting its work because otherwise "others will do so." The edicts themselves, according to Shokhin, were the result of a six-hour meeting between the president and the premier. Commenting on the edicts, Shokhin confirmed the need to spell out the foreign policy edict with government resolutions. According to him, the edict's interpretation is so far being drafted within the framework of one document, but if it becomes impossible to incorporate the commentaries in one, several resolutions will then be issued on the subject. Viktor Gerashchenko, commenting on the Central Bank's participation in drafting the edicts, stated that it has been considerable, denying media reports about his opposition. At the same time, according to him, at the final stage of drafting the first package some deplorable inconsistencies had slipped into the edicts. More specifically, Viktor Gerashchenko said that permission to withdraw sums from deposit accounts before term as a way to overcome the nonpayments problem could seriously harm the banking system.

Deputy Finance Minister Sergey Aleksashenko, at journalists' request, expressed the Finance Ministry's opinion on the development of inflationary processes. According to him, the decisions made will not lead to a growth in inflation before the end of summer; it will stay at the May level of 7-9 percent, and in December it could fall to 5 percent provided the current anti-inflation policy continues and there are no serious incidents. Unemployment growth, according to Finance Ministry predictions, will continue to creep.

Shokhin also commented on the battle around the budget in the State Duma. He fully rejects the position of Sergey Glazyev, who heads the Duma's Economic Policy Committee and proposes respectively to add 30 trillion rubles in revenues and expenditures into the budget. In his opinion, Glazyev's position is counterproductive: The revenues he counts on are hypothetical. And this means that should there be a shortage, the government will have to sequester expenditures. Aleksandr Shokhin has no doubt that as a result, this will affect not the lobbyists—who "will get what they want anyway"—but the social sphere and education. Shokhin relates more favorably to the position by budget committee chairman

Mikhail Zadornov who, according to the vice premier, is ready to draw up a "mini-budget" with possible additional revenues: Under the project, the first three trillion of "surplus" money will go to the military industrial complex; the next, to the social sphere, and so forth.

Shokhin also spoke about the results of a government delegation's visit to China where possibilities of interstate long- term investment cooperation were considered. In particular this included the construction of five thermal power stations, talks about which have been going on for a long time; a bid for the construction of a hydro-power station on the Yangtze river, where Russia has good chances for success; and also the problem of mutual payments. On the latter question the Chinese side, according to the vice premier, has not as yet granted Russian trading companies access to the national currency, the yuan, but included a proposal in corresponding protocols on recognizing trading firms' right to choose their intermediaries. This should expedite the solution of the problem of quality and mix of goods, even if supplied by a limited number of trading agents. Shokhin believes that Russia can use the experience of Chinese free economic zones in the Maritime region and in the Baltics.

Both news conferences discussed lifting restrictions on foreign bank activity in Russia. Speaking at the Central Bank, Gerashchenko stated that "today work is under way on new 'rules of the game' for foreign banks in Russia. The Central Bank has a deadline—8 June—before which time a law has to be drafted." Aleksandr Shokhin, speaking in the White House, said that an agreement with the European Council could be signed on 13 June because the uranium issue has already been resolved. According to him, restrictions on foreign banks are to be gradually lifted (within three to five years). According to Gerashchenko (speaking at the Central Bank), there is still a limitation on foreign banks' aggregate share in Russia's banking capital—12 percent. "The size of the limit itself, however—10 percent or 15 percent—is not of a matter of principle," the Central Bank chairman stated.

## Bank Chief Seeks Break in Access by Foreign Banks

*LD0106151394 Moscow ITAR-TASS in English 1321 GMT 1 Jun 94*

[By BUSINESS-TASS correspondent]

[Text] Moscow June 1 TASS—President of the Association of Russian Banks Sergey Yegorov went on record today for a "time out" in the admission of foreign banks to the Russian market.

"In principle," he told a press conference here, "we favour foreign investments in the Russian economy, including the banking sphere. However, the national banking system is yet in the making. It is not strong enough to face tough competition from major foreign banks on the domestic market. Hence, there is no point in trying to 'butt the oak'. We need time to gather strength."

Yegorov noted that Russian banks ran up against great difficulties whenever they tried to open their offices, let alone subsidiaries, in Western countries.

"Restrictions on the admission of foreign banks to the Russian market," he said, "will not last for centuries, but only for concrete time periods, necessary to give the Russian commercial banks a breather so that they could gather strength and build up a Russian national banking system."

Addressing a press conference here on Tuesday, Chairman of the Russian Central Bank Viktor Gerashchenko said that some restrictions on the work of foreign banks in Russia might be lifted in the foreseeable future.

## Miners Refuse To Deliver Coal Unless Wages Paid

*LD0206110594 Moscow Mayak Radio Network in Russian 1000 GMT 2 Jun 94*

[Text] For the second day running, miners at the Vostsibugol joint stock company—which operates on the territory of three rayons of Irkutsk, Chita Oblasts, and the Republic of Buryatiya—have not been dispatching fuel for consumers. According to a statement by Vladimir Solomin, chairman of the company's strike committee, an exception has only been made with regard to the petrochemical workers of Angarsk, who have fully settled their accounts for the output received. The remaining consumers situated in the region are considered to be debtors, as are those in neighboring Khabarovsk and Maritime Krays.

According to a statement by General Director Ivan Shchadov, Vostsibugol is the largest mining company in Russia today, which is capable of producing 32 million tonnes of fuel annually, but on one condition, that it receives its wages on time. At the moment the debts to the miners amount to 170 billion rubles, and they are prepared to make their actions open-ended. The administration of Irkutsk Oblast, where the main enterprises of the joint stock company are situated, considers the action of the miners to be illegal and has demanded the dispatch of coal to consumers.

## Labor Minister Urges 'Practical' Approach To Wages

*PM0106144594 Moscow ROSSIYSKIYE VESTI in Russian 28 May 94 p 1*

[Unattributed report under the "Economics" rubric: "The Wages of Workers in Budget-Funded Sectors Should Grow If the Budget Income Grows, Russian Federation Labor Minister Gennadiy Melikyan Believes"]

[Text] Many government lances have already been broken on the question of the indexation of the minimum wage. No one seriously objects to it in principle. Both the president and the prime minister have repeatedly stated that the main aim of economic reform as a whole is to improve people's lives, but without scrupulous calculations and long-term forecasting of the social consequences of the government's actions, no serious decisions can be made.

That is why I propose that we should look at the problem of indexation more closely. An increase in the minimum wage in the country to 19,000 rubles [R] will immediately be reflected in a corresponding growth in all social payments. And this means subsidies, pensions, and compensation. The main point is that the payment of the first category under the Single Tariff Scheme in budget-funded sectors of the economy will definitely change.

In this case I am not so much worried about a possible spurt in inflation as by the practical problems of budgets at various levels. We know that today workers in budget-funded sectors are 80-percent funded out of local treasuries. Will regional budgets be able to provide another wage increase to their teachers and doctors if the government adopts this decision? I think it unlikely. Indeed, my latest trips around the country have convinced me that, with an inflation rate that has slowed down, people are demanding not so much the indexation of wages as their payment on time.

To my mind, it would be more reasonable to elaborate a system of clear-cut recommendations on which local authorities could base independent decisions on increasing wages to their budget-funded workers. In that case, their decisions would be based on real financial possibilities and therefore would be of a practical nature rather than being on paper only.

## Military Issues

### Official Argues R55 Trillion Defense Budget Needed

*PM0106124194 Moscow KRASNAYA ZVEZDA in Russian 27 May 94 p 1*

[Vladimir Yermolin article: "Search for 18 Trillion Rubles Continues. Not Only for Army—for Country's Security"]

[Text] Today, according to the agenda approved Wednesday [25 May], the State Duma will continue its work on the draft law "On the Federal Budget for 1994." Discussion of defense items will take place behind closed doors.

I do not think there is any need to explain why "closed doors" were necessary. "We will try to convince the deputies," I was told by Sergey Yushenkov, chairman of the State Duma Defense Committee, "that 55 trillion rubles [R] is the minimum defense expenditure below which we cannot go." The discussion will proceed with specific figures to hand and with Defense Ministry computations—where particular sums are going and what they are for. Yushenkov believes it is largely the detailed argument which could sway those who voted 11 May against increasing military expenditure.

But let us stipulate immediately that the "anti-Army" motives are by no means homogeneous here. There are, of course, those deputies who by virtue of their professional detachment from defense problems are more inclined to believe the expert authorities. If the government says R37 trillion is enough to cover defense expenditure, is it not best to believe it? Especially as, instead of a well reasoned project, during the first reading the deputies were offered, as they say, just "the bare figures." It is for the sake of this category of doubters that it it is possible and necessary to try to interpret where and how the military intend to spend the people's money. But I fear that for a certain number of deputies nothing can be proved—some, having sworn loyalty to their own departmenbt, will not give up a single kopek, others will be inflexible because the proposal arises from "politically alien elements," still others will be guided by subtle and political considerations calculated many moves in advance. Any reasoning is poweless here.

Yes, our deputies come in many varieties. But let us recall that a majority—166 people—nonetheless voted for the allocation of the R18 trillion sought. Let us also bear in mind that it was in the Duma that this amendment to the government's draft law arose. And it was the Defenmse Committee and the Defense Ministry which initiated the meeting with the Russian Federation president's assistant for security, which ultimately led to the president's intervention, who recognized the correctness of increasing the defense budget to R55 trillion. Today, when battle will again be joined for a realistic amount of military expenditure, I know there will be many defenders of the Army to be found in the State Duma hall. But the discussion will not be about defending the Army on a grand scale but about the state's security. It is not at all obligatory that somebody should attack us from outside—the collapse of the Army and defense industry will shake the country worse than aggression would.

What is actually going on? Everyone realizes—even the Finance Ministry and Central Bank—that the military is not asking for anything excessive. And this is stated by the person who bears chief responsibility for the state's defense capability—Russian Federation President Boris Yeltsin. But the question of the additional R18 trillion remains up in the air.

It is the easiest thing in the world to look for plotters, especially across the ocean. But here it is better to agree with Yushenkov's deputy—Deputy Aleksandr Piskunov: The root of evil lies in our negligence, in the inability to see further than our own noses. Economizing on the Army and the defense industry today means to lose those same trillions tomorrow, only multiplied 10-fold.

Piskunov off the cuff offered a scenario for the development of the situation if there were just the paltry R37 trillion. I issue a defense order, but the state is not giving enterprises the money. So directors take out bank loans (naturally at commercial banks—there are no others) at extortionate interest rates. The order is fulfilled but, in order to pay the banks back they accordingly increase the price of their output. Thus, domestically-produced combat equipment and weapons will turn out so expensive that it will be more advantageous to buy weapons and equipment abroad. "Specialists" in the field of foreign trade will be found who will readily substantiate the need for the final collapse of the Russian defense industry, citing as substantiation none other than the state's interests. It is easy to miss all this in one's calculations today—like the losses from the impossibility of advantageously trading arms on the world market. But for some, as Piskunov said, there is an insurmountable temptation to pay "for the financial system's inefficiency with the collapse of effective defense."

The budget deficit must not be increased. The consequences of this step are also easy to miss when calculating. Meanwhile, the inflationary noose, which will inevitably be pulled tighter after a new batch of money backed by nothing is printed (the same R18 trillion), and it will take a mortal grip on the throat of the military man, above all. Whereas other people, even those working in the budget-financed sector but civilians nonetheless, have the opportunity to do a bit of extra work somewhere to supplement their family budget, the military man is completely deprived of this opportunity. This is why, Yushenkov tried to convince me, when "Russia's Choice" categorically comes out against increasing the budget deficit, it is not least defending the interests of military personnel themselves. What is the solution? Yushenkov (let me remind you that he is a "Russia's Choice" activist) belives that it is possible to scrape together the required sum by reassessing sources of the income element of the budget. Incidentally, the State Duma Economic Policy Committee has specific proposals on this. Specifically, committee Chairman Sergey Glazyev is proposing refusing a number of privileges to structures trading abroad (the estimated saving is between R5 trillion and R10 trillion), and to make privatization more "lucrative." Sergey Yushenkov is counting on income from foreign economic activity and reducing the state apparatus, and is not ruling out the possibility of efficiently raising a domestic targeted loan from both citizens and commercial structures. Aleksandr Piskunov sees some unexploited poitential in tax policy but chiefly in the taxation practice. (The state just cannot learn how to collect taxes). There are also other proposals. The main thing, Piskunov said, is that during the second reading there should be no clash between conceptual economic schools. Putting it simply, our learned economists should not lapse into arrogance. There is one further hope that government representatives too will come along to today's session with specific options for resolving this difficult situation. Only not with those which will cause the military to clash head-on with, for instance, the farmers, the scientists, the medical personnel, or the whole world in general. So that some time later you would have to explain to the people: You will have to wait this year for an increase in wages and pensions—you yourselves are aware that the Army's demands have had to be met.

Nonetheless, let us hope that the state will provide a subsistence minimum for its Armed Forces, however hard it is to do so. But it is woth bearing in mind for the future that Russians are also giving us money today for real reforms in the Army. They, our reforms, do not come cheap. But the route which they are now to take is dependent on what kind of defense budget for 1995 the State Duma deputies will vote tomorrow, and with what kind of enthusiasm they vote.

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## Defense Official Warns Military Budget Insufficient

*LD0106171794 Moscow INTERFAX in English 1502 GMT 1 Jun 94*

[Text] Russia's Defence Ministry incurred a debt of 6 trillion rubles to munitions producers and army personnel over the first five months of the year. As a senior ministry official told Interfax on Wednesday, the department was underpaid 4.9 trillion rubles out of the federal budget.

In his words, the army has turned into a large debtor. There have been more and more conflicts when due to debt problems bakeries have denied bread to army units and municipalities have threatened to stop electricity supply. The military, he noted, have been trying to prevent this by exerting pressure on local officials with tanks and otherwise. He had in mind cases when the command of a unit sent military vehicles to local government premises to bully officials there.

He doubts that the 37.1 trillion ruble budget, endorsed by the Duma after the first hearing, will help to reform the armed forces and bring Russian troops back home.

"Those who insist on that figure, are energetically pushing the army to the line beyond which there come irreversible consequences, catastrophe and chaos", the official declared. Nor, in his view, could the 55 trillion ruble military budget supported by President Yeltsin solve all the problems facing the armed forces, even though it would help to keep the country's defence potential intact.

He disclosed that the commander of an army platoon got a meagre monthly pay of 200,000 rubles (about 100 dollars). The pilot of a supersonic military jet earns 440 thousand rubles (220 dollars), whereas his civilian counterpart makes more than 1.5 million rubles (1500 dollars).

## Admiral Kasatanov Admits to Problems in Russian Navy

*LD0206082794 Moscow ITAR-TASS in English 0804 GMT 2 Jun 94*

[By ITAR-TASS correspondent Yuriy Grachev]

[Text] Vladivostok June 2 TASS—"Only outright ill-wishers, who have no sense of patriotism, can relish the current temporary setbacks of the Russian Navy," First Assistant Commander-in-Chief of the Russian Navy Admiral Igor Kasatonov, who is currently visiting the maritime territory of the Russian Far East, told ITAR-TASS.

The admiral has spent two weeks visiting Navy garrisons, ammunition depots and storages. "Yes," the admiral said, "there are some shortcomings and blunders, but order is being restored with an iron hand. Many problems could be resolved if our efforts were backed by normal financing."

Touching on the efforts to do away with the consequences of the latest explosion of a naval aviation depot, the admiral noted that seven sapper teams, an obstacle clearing team, six military vehicles, including engineering machinery, are now working in the state of emergency zone. As many as 32.4 square kilometres of territory have already been checked. More than 900 shells and bombs were discovered. About 200 of them were blown up.

"In spite of all the bitter setbacks," Kasatonov believes, "the Russian Pacific Fleet is still a solid and strong organisational entity and it will surely remain a guarantor of the safety of Russian sea borders in the Pacific Ocean."

## Recruitment of Cossacks Into Army Begins

*PM0106150794 Moscow ROSSIYSKAYA GAZETA in Russian 28 May 94 First Edition p 2*

[Vitaliy Cherkasov report: "Cossack Draft...After 75 Years"]

[Text] Volgograd—In accordance with an order by Russian Defense Minister Pavel Grachev and a General Staff directive the drafting of new recruits into our Army's Cossack units has begun. In all the re-created Cossack troop districts—the Don, Astrakhan, Volga, Kuban, Terek, Orenburg, Amur, Ussuri, Yenisey, Irkutsk, Transbaykal, and Siberian districts—lists of young boys who will serve in their own Cossack details, divisions, and battalions as well as protecting the border, have been handed over to the military commissariats.

Clearly, following the 75-year-long enforced disbandment of the Cossacks, it is hard to organize new combat-ready units. There are also a lot of other problems which Vladimir Naumov, field ataman of the Council of Russian Cossacks, spoke about in an interview which he gave in Volgograd.

"All our proposals concerning the organization of the first Cossack draft were accepted by the military department, approved by Minister Grachev, and submitted to the State Duma Committee for Matters of Defense and Security. Unfortunately, I cannot say when this question will be examined by deputies. Time is passing, the spring sowing is ending, but the hearing of the question keeps being delayed.

"Taking the Cossacks' wishes into account, the military department approved the uniform which the Cossacks had in 1914—khaki soldier's shirts and pants made of blue cloth with stripes in the traditional colors for Cossack troops—crimson for the Don, yellow for Astrakhan, and so on. Sleeve chevrons will also be introduced.

"The Ministry of Defense is examining whether commanders of Cossack details and battalions should be Cossack officers from the same areas as the new recruits. For this reason, the recruitment of students from Cossack regions to the military schools is being announced. Naturally, 'The History of the Cossacks' must be an indispensable educational discipline in these training institutes.

"If they are really going to be organized, why should the Cossack regiments not be given back the names which they bore before the Revolution? For instance, the Don regiment named for Ataman Platov, or the Yermak Timofeyevich regiment. This would discipline the young Cossacks, cement their ranks, and make them honor the traditions of their ancestors. The fact that information to the effect that a draftee is a Cossack can be put into his military registration documents at his own wish is a source of joy to the Cossack. In that case, the entry 'Cossack' will be made in the 'Special Notes' section."

Aleksandr Kotenkov, Russian Federation deputy minister for nationalities affairs and regional policy, comments on the report by our Volgograd correspondent:

"It is true that the spring draft for the Army in Russia's Cossack regions has been announced, but, within the framework of existing legislation, it has been on general principles. There is no specific Cossack form of recruitment for military units or large units, as the law on Cossack military service has not been adopted yet.

"The elaboration of a draft law to this effect is currently being concluded in our ministry, and it will be submitted to the Russian Government for agreement and conclusion next week.

"With the adoption of this document, the formation of Cossack units will really develop. The Cossack servicemen's full dress will be traditional, depending on which Cossack group they belong to, and the everyday uniform will remain the same as it is in the entire Russian Army. This is natural. It is hard to imagine a member of the tank crew, for example, in a Circassian coat and Astrakhan hat and with a dagger.

"It is no secret that today the Army draft is proceeding with difficulty for a whole number of reasons. But, according to our calculations, with the introduction of the Cossack model for forming military units, the number of draftees in Cossack regions will increase at least tenfold."

## Border Guards Chief on Current Tasks, Hopes

*PM0106110194 Moscow KOMSOMOLSKAYA PRAVDA in Russian 28 May 94 p 2*

[Interview with General Andrey Nikolayev, commander in chief of Border Guards, by Igor Chernyak; place and date not given: "'Barbed Wire' Will Remain in the Past. Border Guards Commander in Chief Andrey Nikolayev Intends To Bring About a Revolution on the Border"]

[Excerpt] [passage omitted] The kind of respect shown by subordinates to their leader Nikolayev is rarely encountered these days. Border Guards officers have the following to say about their 45-year-old commander in chief: "His first statement on taking up his post was: 'I will not tolerate rudeness by senior ranks to subordinates.' During the past year he has not once raised his voice against his subordinates. The ability to talk tough without destroying the human element in a man is a rare quality among generals."

[Nikolayev] I inherited my poor eyesight from my mother. When I speak about my father, I cannot fail to mention her as well. My mother was a graduate of the Literature Institute; she wrote poetry and left several notebooks of wonderful lyric poems. These poems trace the progress of my father's career and my own. Thanks to my mother we were from childhood surrounded by wonderful people—Soloukhin, Rozhdestvenskiy, and aunt Lyuda Kasatkina were close friends of my mother's,

as was uncle Serezha Kolosov—do you know the film "Drawing Fire"? My father, however, was surrounded by military men, so we had a wide circle of acquaintances.

[Chernyak] Have you lived all your life in Moscow?

[Nikolayev] While I have been a soldier my family has moved 14 times. I started out as a platoon commander, then moved up through a company, regiment, and division, and before being transferred to the General Staff I commanded an army.

[Chernyak] Andrey Ivanovich, increasingly we hear people say that when you left to join the Border Guards you took the best remaining General Staff cadres along with you and created what amounted to your own mini-General Staff with its own Central Command Post. A number of military experts acknowledge that all this has had a positive impact on the controllability of the troops entrusted to you, joking that your former colleagues from the Arbat may soon be coming to see you for experience....

[Nikolayev] I can give you figures relating to the number of people who came to our apparatus from the Ministry of Defense and the General Staff, and I can assure you that the numbers were small. During the time I worked on the General Staff I developed the deepest respect for that structure. If someone leaves it for reasons of redundancy, age, or whatever, we are always prepared to offer them a position, especially as people work five years longer here than in the Army. By helping these people who have the highest professional training we are primarily keeping them for the state. However, both the Ministry of Defense and the Border Guards are working for a common cause, so I see no problems about this. I hardly need say that the General Staff is not someone's personal fiefdom but a place where the cream of the Armed Forces is gathered together, and it is no surprise that, when people leave the General Staff to work for us, they bring their ideas with them.

[Chernyak] The newspapers have recently been flashing reports that Chief of General Staff Mikhail Kolesnikov allegedly announced at a closed session of the State Duma that the Ministry of Defense is prepared, "if the government so decides," to transfer Navy and some Airborne Troops forces to the control of the Border Guards with a view to establishing mobile forces. But are you ready to receive them?

[Nikolayev] I think that you should ask Mikhail Petrovich himself to comment on this. As far as the Border Guards are concerned, we have our own niche; the Navy and the Airborne Troops do not fall within our remit; they have enough work of their own.

[Chernyak] The idea of separating the functions of the Ministry of Defense and General Staff is being widely touted. What is your opinion of this as a former General Staff officer?

[Nikolayev] Briefly, I would say that life has shown us that the General Staff should evolve into something else, that its functions should have been reexamined long ago with a view to expanding its role. An Armed Forces General Staff is necessary, but the General Staff is not the Ministry of Defense.

[Chernyak] What is your attitude to the military reforms being pursued by the Ministry of Defense?

[Nikolayev] No system can reform itself through its own efforts. In our country, however, the Army has been entrusted with this task. The result is natural.

[Chernyak] The issue of Russia's joining the "Partnership for Peace" program is so complex that even Minister Grachev has changed his viewpoint on this matter several times over the past month. What do you think of the expediency of rapprochement with NATO?

[Nikolayev] Russia should have special status—I am convinced of this. After all, cooperation necessarily entails concessions. [Nikolayev ends]

Further comments by officers about their commander in chief: "A military intellectual in the true sense of the word." "A new wave has arrived with him which will not only renew the cadre composition of the High Command but will also encourage the idea of switching to a more civilized procedure for guarding the border."

[Chernyak] Andrey Ivanovich, not so long ago Boris Yeltsin made you a member of the Russian Federation Security Council. We have become accustomed to seeing Grachev, Yerin, or the state security chief on the Council, but this is the first time the chief border guard has been given a place. When you attended the first sessions, did you not feel a bit like an extra?

[Nikolayev] If we regard the state border purely in terms of the Border Guards, their commander in chief really has nothing to do on the Security Council. But you can look at it another way. I often come to work in "civvies," and what is more I do so deliberately. I try in whatever way I can to stress that in two or three or five years' time the Federal Border Service—the Border Guards High Command—is scheduled to become a service without a High Command: We began as soldiers, and we will complete our journey as an ordinary federal service. Guarding the state border is primarily a political matter.

[Chernyak] What, your stated aim is to disband the Border Guards?

[Nikolayev] That is not what I am saying: The role of the border service as a structure coordinating the activity of the departments working on the state border—the Federal Counterintelligence Service, the Foreign Intelligence Service, the Customs Committee, the immigration service, and others—will expand, whereas the role of the military guard will shrink. We cannot of course entirely discard the military system of guarding the border. But we need to understand that nowadays this is no longer the basis for ensuring the security of the state's borders.

After all, what image of the state border have we become accustomed to? Barbed wire, soldiers, dogs, "Halt, who goes there?" These days nobody needs this kind of state border. If we try to reestablish this kind of border, first of all people will tear it down, and second, we will lose not only our shirts but our underwear as well. For example, the length of Russia's border with Kazakhstan is 7,559 km. One kilometer costs 1 billion rubles. Merely to build the border itself—without any infrastructure, housing, and so forth—we would require 7.6 trillion, which is 150 percent more than all our current expenditure on maintaining the Border Guards. And what would the point of all that expenditure be?

We are making it our task to achieve cooperation with neighboring states for the purposes of combating criminal groups and preventing smuggling and illegal immigration. The border is both a sanitary checkpoint and a limit where we can confront forces engaging in intelligence activity. At the same time it should not be closed, and under no circumstances should it act as a barrier to goods, let alone people. Look: Approximately 2 million people used to cross the USSR's borders [period not specified] on the way out of the country; nowadays 43 million people are entering the Russian Federation alone, and across the CIS as a whole the figure is approximately 200 million. Such border crossings are becoming the norm, because any law-abiding person quietly crosses the border at the designated crossing points. We only need to combat those who violate the procedure. I hope to see the day when the number of violations is reduced to a minimum: Not because we have started working more effectively, but simply because people realize that you do not have to resort to a violation in order to cross the border—it is no longer the old-style border. We need to change people's psychology, but unfortunately this cannot be done overnight.

[Chernyak] What is your ideal state border?

[Nikolayev] Once, when I still had no idea of becoming a border guard, I was traveling in the vicinity of the U.S.-Canadian border; you only need a driver's license to cross it. But we should not look for the ideal as it exists in other countries. We should take a look to see which is best, but there is no need to copy it exactly.

[Chernyak] Do you intend to build a border with Ukraine?

[Nikolayev] In my view, Ukraine, Belorussia [Belarus], and Russia are a single people living in three independent states. But sovereignty is not a fence, even though many people may think so, taking the view that once you become a sovereign state you necessarily have to fence yourself off. The Belorussians were the first in the CIS to ensure Russia's interests on their borders—we have mutual commitments, and also the right to carry out checks. We would like to build similar relations with Ukraine. If things work out, the border between our two countries will merely comprise border controls—not five-km zones with border posts and troops—and there will simply be checkpoints on the roads manned jointly by Russians and Ukrainians. This sort of border unites rather than divides. Sometimes we have to overcome opposition from people with antiquated views: They say that this has never been done on any state border. Well, so what? We will do it now. There is no formation quite like the CIS in the world either.

[Chernyak] How do you see the borders between the CIS and Central Asia developing in the future?

[Nikolayev] Kazakhstan, Kirghizia [Kyrgyzstan], Tajikistan, and Turkmenia are currently establishing their own border guards, and their role in guarding the border will increase. In the longer term, however, it would be expedient for Russia to have an operations group in the area which, besides participating in guarding CIS borders, will check that the commitments agreed to by these states are met. At present we pay half the cost of guarding these borders, but in the future we hope to reduce our share of the expenditure to nil: The interests of the Central Asian republics are being protected by Russia on the borders stretching from the Far East to Poland, and that is our contribution.

[Chernyak] Not so long ago you announced that the Border Guards have 58 generals—an order of magnitude lower than than in the Army in proportion to the number of officers and enlisted men. Is this a deliberate policy? And what is your attitude to the abundance of generalships that are being awarded?

[Nikolayev] I am not happy with the word "abundance" in this context. We currently have 75 generals, and following the completion of the current stage of organizational development of the Border Guards we plan to have 145 generals' and admirals' posts—new structures and Border Guards groups are being formed. Basically, the ratio of one general to 1,700-1,800 men seems fine to me, and the Ministry of Defense and internal troops, incidentally, have slightly fewer. The problem is something else entirely: We have a very large number of generals at the center, and also a great many people who have nothing to do with this rank, such as the chief military gynecologist. In my view, we should proceed first and foremost from a calculation of many people we actually need. [Nikolayev ends]

Further comments by officers about their commander in chief: "After reading an article in MOSKOVSKIY KOMSOMOLETS criticizing the Border Guards in connection with the events on Tanfilyev Island, the commander made the following resolution on the matter: 'It is terribly upsetting, but everyone must face the truth.' He dislikes misrepresentation of facts, but he is not afraid of the truth."

[Chernyak] The Border Guards have always compared favorably with the Army—primarily with regard to the atmosphere at border posts and the absence of bullying.

Suddenly we are hearing reports to the contrary, and the Border Guards are virtually being portrayed as the chief offenders....

[Nikolayev] Yes, discipline is on the wane, and this worries me a great deal. This year alone the number of irregular relationships has increased by over 150 percent compared to 1993. Nevertheless I cannot agree with your premise that we are "leading the field." Besides, let us look at the heart of the problem. The crime situation in the country is getting worse and worse, and the Border Guards cannot remain in a vacuum. The Border Guards used not to accept draftees who had been arrested even once by the militia. Could we do that now?

[Chernyak] A number of rumors are circulating about the mysterious death in Tajikistan of Colonel Aleshinskiy of the High Command. Do you have any new information or alternative versions of the reasons for the tragedy?

[Nikolayev] This incident is unpleasant and difficult for the Border Guards. A suicide has taken place. As a specialist Aleshinskiy was a sensible and professionally trained officer. But unfortunately you do meet people in the military who have an alcohol dependency problem.

[Chernyak] Was the Far East "Putina-94" operation your idea?

[Nikolayev] Operations of this type will soon be put into effect on all Russia's seas. Everyone is keen to know whose idea it was. Write down that the president dreamed it up (he laughs). Basically, however, we have proposed something that has been in the air for a long time, and Boris Nikolayevich has backed us. After two-and-a-half years of lethargy, we need to begin rebuilding our national dignity. "Putina" is designed to let the people know that we have everything we need to defend our national dignity: the political will in the leadership, people who can make it happen—talented, intelligent, and capable people—and the necessary resources, provided that we do not squander them or sell them off right, left, and center. After all, we are not a nation in decline; we are great Russia.

## Federal Assembly

### Duma Issues Appeal to Ukrainian, Crimean Deputies

*PM0106150194 Moscow ROSSIYSKAYA GAZETA in Russian 2 Jun 94 First Edition p 1*

[Appeal No. 122-1 RD of the Russian Federation Federal Assembly State Duma to Ukrainian Supreme Council and Crimean Supreme Council Deputies, dated Moscow, 25 May 1994]

[Text] Esteemed Colleagues!

The State Duma is following with great disquiet and concern incoming information regarding the exacerbation of the conflict between the Republic of Crimea and Ukrainian central organs.

We know from our own experience of building a new Russian state how difficult the problems associated with the demarcation of powers are. But we also know how futile and destructive are attempts forcibly to resolve issues linked with peoples' desire for self-determination.

The State Duma viewed with hope the announcement of the first steps toward constructive dialogue and accord taken in Kiev by a group of Ukrainian and Crimean Supreme Council deputies.

We express confidence that reason will prevail over emotion in this dispute both in Kiev and in Simferopol. We hope that Ukrainian and Crimean Supreme Council deputies will not allow irresponsible politicians to jeopardize people's peace and security for their own opportunistic ends. For its part the State Duma is ready, with consideration for the delicacy of the prevailing situation, to do everything in its power to help seek constructive compromises based on the Russian-Ukrainian treaty of 19 November 1990.

For two centuries the Crimea has served and, we are confident, will continue to serve the interests of the fraternal peoples of Ukraine and Russia. Once again we call for restraint, civic wisdom, and the renunciation of hasty emotional actions.

### Duma Turns Down Increased Defense Budget

*LD0106161794 Moscow INTERFAX in English 1502 GMT 1 Jun 94*

[Text] The State Duma leaders have refused to increase budget spending on defense by 18 trillion rubles (from 37 trillion to 55 trillion rubles - Interfax), Vice Premier Alexander Shokhin told Interfax.

He told the Federation Council on Wednesday that during a conference on May 31, attended by Cabinet members, the State Duma leaders turned down a corresponding proposal by the State Duma's Committee for Economic Policies, chaired by Sergey Glazyev.

To quote Shokhin, preference was given to the variant presented by the State Duma's Budget Committee, chaired by Mikhail Zadornov, which proposed that the federal budget be kept within the limits already approved: revenues amounting to 124 trillion rubles and spending - 194 trillion rubles.

Shokhin noted, however, that the State Duma leaders had taken the decision to channel all of the additional revenues gained from the privatization of federal property to the defense industry. "I think such a decision creates favorable conditions for the approval of the budget at the second reading," said Shokhin.

### Federation Council Approves Bill Limiting Borrowing Abroad

*LD3105150994 Moscow INTERFAX in English 1447 GMT 31 May 94*

[Text] On Tuesday the Federation Council approved a federal bill on limiting state borrowing abroad and credits granted by the Russian Federation to foreign countries in 1994. The bill was adopted by the State Duma on May 11.

The bill puts a limit on Russia's borrowing abroad at 4.7 billion dollars, and on its credits to foreign countries at 400 million dollars. It goes into effect as soon as it is published.

As the chairman of the Federation Council committee for budget, finances and currency regulation, Nikolay Gonchar, explained to the deputies, under the bill "the maximum size of credits will depend on the ability of Russia's economy to service its foreign debts."

According to him, since the amount of 4.7 billion dollars is one billion dollars less than the size of borrowing envisaged by Russia's Finance Ministry in this year's budget estimates, amendments will have to be made to the corresponding articles of the state budget without increasing the budget deficit or incurring additional expenditure.

According to the data submitted by Gonchar, Russia's foreign debt (not counting the debts to East European countries and overdue commercial payments registered by the beginning of 1994) surpassed 80 billion dollars, while the annual payments Russia is obliged to make under the schedule for servicing and repaying the main bulk of its debt exceeded 20 billion dollars in 1992-1993. This year the payments connected with servicing and repaying the foreign debt, taking into account payments postponed from 1993, make up 32 billion dollars, or 70 percent of the export revenues expected this year.

### Chambers Disagree Over Election Donations Bill

*MK0106131094 Moscow KOMMERSANT-DAILY in Russian 1 Jun 94 p 3*

[Boris Boyko report: "Nikolay Gonchar Has Started Campaigning for Independence"]

[Text] In its session yesterday the Federation Council refused to adopt the bill, recently approved by the State Duma, "On Making Changes and Additions into Some Laws of the Russian Federation on Taxation and Providing Privileges on Compulsory Payments to Non-Budget Funds." The budget committee proposed to reject the bill under the pretext that matters of expanding the list of tax breaks must be decided only in the context of reforming the entire tax system. The council as a whole, however, was more restrained and confirmed its readiness to pass the law after it was reworked in a corresponding manner, for which purpose it decided to set up a conciliation commission (including deputies from the Duma and the Federation Council).

It is noteworthy that the law approved by the Duma and bearing on tax breaks to election commissions, deputy candidates, election associations, and election foundations in financing election campaigns was drafted not by the government but by Duma deputies. The Federation Council's Budget Committee, whose position was presented by its chairman Nikolay Gonchar, found some "serious shortfalls" and violations of the current tax legislation in the law. Furthermore, the committee, citing the experience of foreign countries, also declared itself in favor of tougher restrictions on the size of untaxed donations by corporate entities to the election funds of candidates and election associations (under the law, these sums must not exceed the following sums: in elections to federal state power bodies, 200 times and 20,000 times the minimum monthly wage, respectively; and in elections to local power bodies 100 times and 10,000 times). In the committee's opinion, financing election campaigns with voluntary donations in such amounts can result in an elected deputy's dependence on the will of the "donors" subsidizing his election campaign.

True, this argument appears a little strange. First, any deputy, per se, is a representative of certain local, social, and group interests in a legislative body (which follows from the designation of parliament as a form of social and regional compromise). Second, the experience of the United States, with its election fund raising race, shows that democracy is well compatible with the open financing of candidates; especially when this financing is done openly, not secretly. But Russia has different political ethics, which Nikolay Gonchar apparently follows.

According to the last article of the law, its effects extend to relations that arose after 1 January 1994. The Federation Council saw this not only as a source of possible losses to the budget (from which tax sums already paid will have to be returned), but also a possibility for the deputies even now to obtain funds to prepare the next election campaign. Therefore, judging by the nature of the Federation Council's remarks, the conciliation commission will have to spend much time to make sure the senate's laudable commitment to justice and legality (even to its own detriment) triumphs.

Interestingly, a Finance Ministry representative (Deputy Minister Sergey Aleksashenko), who was to have presented the law to the Federation Council, preferred participation in a press conference with government members to presence at the session. Nonetheless, according to Nikolay Gonchar, "he expressed his disagreement with the law on the telephone."

## Regional Affairs

### Curfew Imposed on Chechen Republic

*LD0106161894 Moscow Radiostantsiya Ekho Moskvy in Russian 1500 GMT 1 Jun 94*

[Text] A curfew has been introduced throughout the Chechen Republic from today by presidential decree. Groznyy says that the reason for this decision is that Russia has extended the state of emergency zone in Ingushetia and North Osetia to cover regions which are directly adjacent to Chechnya.

Russia has not yet officially proposed holding summit talks with the Chechen Republic. The only knowledge we have of a possible meeting between Boris Yeltin and Dzhokar Dudayev is what we have read in the press. This was stated to our radio station by Chechnya's Deputy Prime Minister Mayrabek Mugadayev. He stressed that Groznyy does not even know who precisely in Moscow is engaged in preparing the summit talks. And any other talks, at government or Foreign Ministry level, will not do any good, Mugadayev considers. The Russian prime minister also agrees with this point of view.

[Begin Mugadayev recording] Viktor Stepanovich [Chernomyrdin] told me straight: He said he approved all seven points or questions which we put forward and the draft agreement which I showed him. It is necessary for Presidents Yeltsin and Dudayev to resolve the political aspect of the question. One can regard the government-level talks as having been completed since the governments have no complaints against each other. [end recording]

[Announcer] And here is another report from Groznyy. Dzhokar Dudayev today stated that the Russian special services are preparing a plan to organize a local nuclear explosion in Chechnya. Representatives of Russia's foreign intellignece service have denied this report.

### Curfew in Force for Indefinite Period

*LD0106164294 Moscow INTERFAX in English 1617 GMT 1 Jun 94*

[Text] Chechen President Dzhokhar Dudayev has introduced a curfew for an indefinite period, beginning 22:00, June 1. The curfew will be in effect from 22:00 until 5:00, Groznyy time.

On May 28, the Chechen Government introduced a curfew in Grozny after an attempt on the president's life.

The republic's Commandant Sultan Geliskhanov told Interfax on Wednesday that the curfew had been introduced after Ingushetia's Malgobek and Sunzhen regions were added to the state-of-emergency zone in the region of the Ossetian-Ingush conflict in accordance with Boris Yeltsin's decree, approved by Russia's Federation Council.

On the one hand, part of the Malgobek and Sunzhen regions is a zone of territorial dispute between Chechnya and Ingushetia, and, on the other, Russian troops will find themselves in the direct vicinity of the Chechen border, he said.

Geliskhanov, who is also head of the Chechen Security Department, said that control over the observance of the curfew would be exercised by the Chechen Interior Ministry and security department. Special importance will be attached to the confiscation of illegally kept weapons and ammunition.

Commenting on the sociopolitical situation in Chechnya, Geliskhanov stated that "the forces which earlier tried to usurp power, have stepped up their activity again." Hoping for support from definite forces in Russia, the opposition is trying to deprive the Chechen people of their last chance to build a sovereign state, he said.

### Dudayev Charges Russia Planning Nuclear Explosion

*LD0106155794 Moscow NTV in Russian 1500 GMT 1 Jun 94*

[Text] The Chechen president has again spoken of the Russian threat. Dzhokhar Dudayev has stated that the Russian special services are drawing up a plan to organize an underground nuclear explosion on the republic's territory. Speaking on Groznyy television, Dudayev claimed that the special services may well implement this plan since their previously prepared attempt to physically remove the Chechen president ended in failure. During his appearance on television Dudayev expressed the opinion that if this plan for a localized nuclear explosion in Chechnya is carried out then the Russian special services will blame the republic's leadership for it, basing their statements on previously disseminated disinformation that Chechnya supposedly has components for nuclear weapons. The Russian foreign intelligence service has already categorically denied Dudayev's claims.

Incidentally, President Dudayev issued a decree today introducing a curfew throughout the territory of the republic beginning 2200 local time.

### Yaroslavl Governor on Changing Relations With Moscow

*MK2805121594 Moscow SEGODNYA in Russian, 28 May 94, p 2*

[Mikhail Lantsman report under the "Province" rubric: "Yegor Gaydar Lifts Up Yaroslavl Country. Big Investors Start Pouring in To Governor Lisitsyn"]

[Text] The Days of Yaroslavl Oblast festival was under way in Moscow between 24 and 27 May. The oblast administration was pleased with the festivities' results, after having taken stock of them: Governor Anatoliy

Lisitsyn announced at a news conference that two main goals could be reached—to attract investments to the projects developed jointly with Gaydar's Institute of Economic Problems of the Transition Period, and to establish feedback between the capital and the major industrial and cultural center of Russia.

More than 40 projects received support from Russian and foreign investors. Mr. Lisitsyn pointed out, among the more successful ones, a project worth $450 million to reconstruct an oil refinery (and agreement was signed on a credit of $230 million from an export-import bank) and a program for the construction of cottages developed jointly with the French firm "Phoenix." French Ambassador Pierre Morel confirmed the readiness of his government to provide a $40 million credit.

The successful fulfillment of the investment projects, according to Mr. Lisitsyn became possible thanks to the regional economy development program drawn up by the Gaydar Institute—its specialists have been working in Yaroslavl Oblast since 1993. During this time, according to Yegor Gaydar, it has become possible to identify the painful points in the structure of industrial production and to convert the enterprises to turning out products to match the current world trend. The institute is currently working on a scheme to create financial-industrial groups, and on a form of the local administration's participation in the process of bankruptcy of enterprises.

Speaking about relations between the center and the region, Mr. Lisitsyn pointed out that "now that the province has acquired genuine independence, it is important to overcome the lingering dependence on the center in the medium management echelon." The constructive process was moving along successfully at a time when, under Premier Ivan Silayev, regional policy was shaped by Valeriy Makharadze: It was in his time that the Union of Governors of Russia was formed. But after Sergey Shakhray took over the charge of regional policy, normal relations with Moscow virtually stopped. With the coming into the government of Nikolay Yegorov, former governor of Krasnodar Kray, "there may come a new stage of normalization of relations between the center and the regions," the governor of Yaroslavl Oblast stated.

## New Rules for Entering Yakut Republic

*LD0106174694 Moscow INTERFAX in English 1336 GMT 1 Jun 94*

[Text] The President of Yakutia Mikhail Nikolayev has set special rules for entry and presence in the East Siberian republic within the Russian Federation.

The terms for entry and stay he decreed concern nationals from CIS and other countries as well as citizens of Russia's republics, not signatories to the Federative Treaty.

From now they will require a special invitation, agreed with local authorities, to be allowed into Yakutia. Besides, foreigners must identify their planned whereabouts, including the name of the street and house number, explain the purpose of their arrival and the duration of their stay in the republic.

In some instances, an applicant may be forbidden entry or be deported before his or her term of stay is up. Reasons for this could be actions detrimental to national security, public order, the established traditions and moral standards, custom, currency, and other regulations of Russia and Yakutia.

## Search for U.S. Servicemen's Tombs Unproductive

*LD0106123594 Moscow INTERFAX in English 1054 GMT 1 Jun 94*

[Text] The expedition to the small Kuril island of Yuriy (the Habomai archipelago, Far East) composed of representatives of the U.S.-Russian committee for search for servicemen killed during and after the Second World War, was in vain.

The expedition tried to find tombs of U.S. servicemen supposedly shot by the Japanese during the war. A total of three tombs were found. However, it turned out that these were the tombs of people who had died before the war.

However, the expedition will continue the search. It will come to Habomai in early summer, the SOVETSKIY SAKHALIN newspaper announced.

## Public Accord Treaty Legitimizes Tuva's Role in Federation

*LD0106191194 Moscow ITAR-TASS World Service in Russian 0803 GMT 1 Jun 94*

[By ITAR-TASS correspondent Yevgeniy Sobetskiy]

[Text] Kyzyl, 1 Jun—The question of the legality of Tuva's joining Russia in 1944 is now completely meaningless. Republic President Sherig-ool Oorzhak said this on Tuesday during the festive ceremony of the signing of the Public Accord Treaty. This document was signed by representatives of all authorities, political parties—including the Communist Party—all public associations, and all religious persuasions.

The president addressed the fact that certain forces in the republic—first of all the nationalists—are still disputing the lawfulness of this decision made 50 years ago on the pretext that it was made by a narrow circle of leaders. Having voted at the December 1993 referendum in favor of the republic's Constitution—which regards the republic as an integral part of Russia—Tuva's multiethnic people thus legitimized the 1944 decision. In the president's view, the Public Accord Treaty plays a similar role today.

## Decree on Steps to Stabilize Oblast Economy

*944F0751A Novosibirsk SOVETSKAYA SIBIR in Russian 26 May 94 p 1*

["Decree No. 174 of the Novosibirsk Oblast Administration, Dated 16 May 1994, City of Novosibirsk": "On Measures To Stabilize the Financial State of the Oblast"]

[Text] Under conditions of severe shortage of funds and sharp drop in the income portion of the budget (14.5 percent execution), the need to accomplish tasks of life sustenance for the oblast (provision of essential products, compensation payments to children, winter preparation measures), and with the aim of introducing a rigid economic regime:

1. The directors of funds (road, pension, insurance support for employment, social insurance, mandatory medical insurance, ecological) and the heads of committees and directorates of the administration shall:

—present prior to 1 June 1994, to the deputy heads of the oblast administration in charge of these funds and directorates, information applicable as of 1 May 1994 regarding the assets available in fund accounts, special fund accounts, and special accounts of administration directorates, as well as estimates of the income and expenditures in funds and accounts of special-purpose financing for 1994;

—present monthly reports to the Directorate of Finance and Tax Policy of the oblast administration on the movement of funds and special accounts of directorates, prior to the 10th of the next month.

2. Deputy heads of the oblast administration shall present data on funds remaining in accounts and verified estimates of income and expenditures to the Directorate of Finance and Tax Policy by 10 June 1994.

3. To establish that when the necessary information is not presented in timely, complete, or reliable fashion, measures of administrative responsibility are applied in accordance with existing legislation;

4. To present for ratification the statute on licensing certain varieties of activity and on establishing the licensing bureau.

5. That the Directorate of Finance and Tax Policy of the oblast administration (A.P. Stepanov) shall:

—draft a decree on amending the procedure for taxation of enterprises engaged in small-scale retail trade;

—establish strict control over the expenditure of budgetary assets and nonbudget funds of the oblast.

6. That the State Tax Inspectorate (V.A. Kamyshan) shall increase supervision of the timeliness and completeness of receipt of revenues into the oblast and local budgets.

7. I reserve for myself the right to administer all the financial assets of the oblast administration as well as fund assets that are temporarily free.

[Signed] I.I. INDINOK
Head of Administration

## Novosibirsk's Declining Birth Rate Viewed

*944F0751C Novosibirsk VECHERNIY NOVOSIBIRSK in Russian 26 May 94 p 3*

[Article by Galina Bessonova, deputy chief of the oblast Directorate of Statistics: "More Deaths Than Births in Novosibirsk"]

[Text] [Begin bold]The number of people in Novosibirsk has increased throughout the post-war years. But now the demographic situation in the city is characterized as critical. Why?[end bold]

The population of Novosibirsk increased by 124,700 over the decade 1979-1988. The city population increased by 12,500, on average, each year. But just a few years ago the situation began to change. In 1989 the number of people in Novosibirsk increased by only 6,700, and in 1990, by only 3,500. In 1991 a loss in population was noted for the first time (of 4,400 people). In 1992 the city population had decreased by 11,200, and in 1993—by 12,500.

Of course there were contributing factors to the exodus of people from Novosibirsk—production decline and the reduced need for outside manpower. The emigration of Novosibirsk residents was also a factor of no small significance. In 1993, 1,400 inhabitants of Novosibirsk had departed for places abroad. But on the whole, only 25 percent of the loss of population is due to migratory outflow.

Last year more people died than were born in all rayons of the city. As compared with 1992, the number of births decreased by 2,100 (16 percent), amounting to 10,600. Twenty thousand people died, 4,100 more than in 1992.

One of the objective factors contributing towards the reduced birth rate is the demographic echo of war. The fact of the matter is that our 20-29 year-old women are those of the sparse generations born at the end of the 60's-beginning of the 70's (i.e., the daughters of people born during the war and post-war years).

Also providing its contribution to the decline in birth rate, of course, is the present crisis situation in the country and factors related to it—the drop in standard of living of the populace and lack of confidence in what tomorrow will bring.

The number of registered marriages decreased by 119 in 1993, although the number of divorces also decreased last year.

Unfavorable changes in population mortality are being observed in the city. The mortality index increased over the year from 11.0 to 14.1 deaths per thousand population. The main causes of death in Novosibirsk remain diseases of the circulatory system (54 percent), tumors (16 percent), accidents, poisonings, and trauma (16 percent). The incidence of murder increased 1.5-fold over the past year; suicides increased by 27 percent.

Thus, the demographic situation in Novosibirsk has indeed reached crisis proportions. Everywhere we see a declining birth rate and increased mortality rate, resulting in natural losses of the city population. In addition, the migrational exodus has reduced the number of inhabitants in all rayons of Novosibirsk.

The demographic situation of the city continues to deteriorate this year as well. The number of deaths in January-March was double the number of births.

## Novgorod Farms Stop Sowing; Administration 'Deaf' to Pleas

*PM0206075194 Moscow SOVETSKAYA ROSSIYA in Russian 2 Jun 94 p 1*

[Pavel Orlov report: "Pasture Abandoned"]

[Text] Nizhniy Novgorod—More than 20 agricultural enterprises in the Nizhniy Novgorod area have not carried out sowing work this spring. Sowing is unprofitable this year, their leaders say. Bank loans are extortionate and the state does not buy your output.

The renaming and reorganization of kolkhozes is not saving them from collapse. Meat and milk production is a loss-maker under current economic conditions. For instance, the "Ptitseprom" owes more than 10 billion rubles for mixed feed, and poultry factories are on the point of collapse.

Requests from farmers for partial compensation for their expenditure and for concessionary rates for energy fall on deaf ears. The oblast administration considers its most important task to be not to ensure stable provision of home-produced food to the population, but to divide up the land, creating a huge number of landowners...with spades.

## International Affairs

### Kravchuk: Russian Fleet Should Be Based at Russian Bases

*LD0106142394 Kiev UNIAR in Ukrainian 1100 GMT 1 June 94*

[Excerpts] Kiev, 1 June—Leonid Kravchuk, president of Ukraine made a speech on the current situation in Crimea at a session of the Ukrainian parliament. [passage omitted]

Touching on problems of the Black Sea Fleet, Leonid Kravchuk noted that there are two tasks which must be tackled first: To resolve the problem of the deployment of both fleets at various bases and to clearly define the status of the Russian fleet which is based on Ukrainian territory. The problem of the Black Sea Fleet should, in the president's view, meet Ukraine's national interests and should guarantee Russia's security on its foreign borders.

However, the president considers that in the future the Russian fleet should be based exclusively at bases on Russian territory.

At the end, Leonid Kravchuk stressed that the regulation of the "Crimean problem" is of vital importance for Ukraine, Crimea, Europe and the world.

Leonid Kravchuk answered questions from journalists.

### Kravchuk Urges Gradual Solution of Black Sea Fleet Issue

*LD0106143694 Moscow ITAR-TASS in English 1315 GMT 1 Jun 94*

[By ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev June 1 TASS—"The completion of the negotiation process between Ukraine and Russia over the division of the Black Sea Fleet is vital for settling the Crimean problem," Ukrainian President Leonid Kravchuk said.

In his address to the Ukrainian parliament on the situation in the Crimea on Wednesday, Kravchuk said that "we must not demand that Russia immediately withdraw its ships from Sevastopol. This would be wrong from the strategic point of view in the first place."

Ukraine cannot ban Russia from keeping a navy force in the Black Sea. History has bound Russia and Ukraine to live in peace and friendship and be equal partners, Kravchuk said. He added that the question of the fleet is the "question of Ukraine and Russia."

He stressed that it must be solved gradually, without causing the situation to worsen. He agreed that the fleet should be divided and based in different places, but stressed the need to determine the status of the Russian part of the fleet which will be located in Ukraine.

Ukraine is seeking to find such a solution which would "meet the national interests and take into account Russia's security needs in the south," Kravchuk said. He noted that in the future Russia will have to set up a navy base on its own territory.

The Ukrainian leader emphasised that after the recent talks in Moscow between the Russian and Ukrainian official delegations "some details of the agreements on the fleet are beginning to take shape." He said that the talks will resume in the near future.

Kravchuk stressed that the Crimean issue is vital not only for Ukraine and the Crimea, but also "all European states and the world community."

### Defense Minister Urges 'Reconsideration' of Nonalignment

*LD0106165694 Moscow INTERFAX in English 1618 GMT 1 Jun 94*

[Text] The principle of Ukraine's staying outside any military blocks laid down in its military doctrine adopted last year is in need of reconsideration, Ukrainian Defense Minister Vitaliy Radetskyy told a news conference in Kiev Wednesday. He pointed out that "today no state can defend itself on its own."

Radetskyy's news conference was devoted to the results of his visit to NATO headquarters from May 25 to 27. During his visit, Radetskyy submitted a presentation document on Ukraine joining the Partnership for Peace program to NATO. Ukraine joined the program in February 1994 when Ukrainian Foreign Minister Anatoliy Zlenko signed a framework agreement with NATO.

Commenting on the situation in Crimea, Radetskyy said that the Ukrainian Defense Ministry had "sent not a single soldier to Crimea recently." He said that the bulk of military hardware which had been delivered in the recent past to Crimea belonged to the Black Sea Fleet.

Radetskyy criticized Crimean President Yuriy Meshkov's personnel policy, saying that 80 percent of his surroundings were former Ukrainian servicemen citing as an example Interior Minister Valeriy Kuznetsov and Security Service Chairman Vladimir Lepikhov.

Radetskyy declined to comment on Ukraine's position at the talks on dividing up the Black Sea Fleet infrastructure, saying these complicated issues were being discussed by Russian and Ukrainian delegations in Sevastopol. At the same time, he pointed out that the division of vessels had been completed.

According to Radetskyy, the Russian part of the Black Sea Fleet will be stationed on the Ukrainian territory as fleet of a foreign state.

### Kravchuk Proposes Amendments in Relations With Crimea

*LD0106155494 Moscow INTERFAX in English 1532 GMT 1 Jun 94*

[Text] Speaking in parliament Wednesday morning, President Leonid Kravchuk offered lawmakers to amend the law on the delimitation of powers between Ukraine and Crimea "by envisaging more powers for Crimean authorities."

Simultaneously, he called for correcting Ukraine's laws on the security and police services so that Crimea's "so-called power structures" be unconditionally subordinate to the central authorities.

He proposed an early reform of Ukraine's Constitutional Court, which, in his opinion, is called upon to abolish all Crimean administration decisions as "illegal." He motivated such a reform by scarce powers of the Supreme Soviet, which, in his words, "can only suspend illegal autonomy acts rather than abolish them." He is ready to submit as soon as possible for parliamentary endorsement candidates to Constitutional Court judges.

He spoke in favour of a subcommission to be set up in Supreme Soviet to deal exclusively with Crimea's problems and accepted a proposal to set up within the cabinet an office of a vice-premier on territorial issues.

Stressing his desire for a peace settlement without conflict, Kravchuk pointed out that "calm and peace are possible only if the Crimean leadership recognized the priority of Ukraine's Constitution and laws. He observed for this reason that "power in Crimea has been taken over by the party that proclaimed as its strategy Crimea's secession from Ukraine and its return to Russia." IF Note: May 30 marked the expiration of Kiev's ultimatum to Simferopol, which was demanded to reverse its decision to restore the May 6, 1992 Constitution. The dual citizenship and formal bilateral ties envisaged by the Constitution have proved unacceptable for Kiev. As Interfax has learned from parliamentary circles in Simferopol, at a session of the faction of the Russia bloc of parties—the major Crimean parliament's faction—lawmakers found it inexpedient to go on its decision and reconsider the Constitution.

Kravchuk believes that the situation in Crimea might be greatly improved by an early solution to the Black Sea Fleet's problem, above all setting up separate naval bases for Ukraine and Russia.

As the chief Ukrainian negotiator to negotiations with Crimean lawmakers, Boris Oleinik has reported to Interfax that Crimea may be discussed in the Ukrainian parliament in linkage with the Black Sea Fleet's problem on Wednesday.

The main task for the Ukrainian delegation is to "find out whether Crimea's parliament is in principle prepared to make concessions and abolish its last decisions as unconstitutional".

### Radetskiy on Meetings With NATO Leaders, Crimea Issue

*LD0106193594 Kiev Radio Ukraine World Service in Ukrainian 1522 GMT 1 Jun 94*

[Text] Having returned from NATO headquarters in Brussels, Ukraine Defense Minister Army General Vitaliy Radetskiy, who had been taking part in the work of his foreign counterparts, immediately left to visit the troops. During an inspection of the 6th Army Corps of the Odessa Military District he granted an exclusive interview to our correspondent Marat Pohorelov.

[Begin Radetskiy recording] In the first instance we handed a presentation document Partnership for Peace which clearly stipulates our stand at the current stage. This presentation document, if one has a close look at it [pauses], and this testifies to the fact that we will still be revising it and, along with the improvement of the economic situation in the state, our views of our participation in the Partnership for Peace will be changing.

I met the acting secretary [as heard], and we had an approximately 30-minute talk with him. He listened to me very attentively, and questioned me about the situation in the state as a whole and about the state of affairs in the armed forces. He paid special attention to the current situation in Crimea and shared our views, our thoughts, and our concern over this issue.

I met Secretary of Defense Perry. I had meetings with 12 defense ministers. We were discussing issues of military cooperation, all of them being directly related to the state of affairs in our country as a whole, its economic and political state.

Information supplied about Crimea seems to be one-sided. It mostly comes from the Russian Federation, and the Russian Federation is expressing thoughts which are useful to them, which are of interest to them today, which are to their advantage. As far as the real state of affairs is concerned, what is being done, who is providing Crimea economically, what is the situation there, what kind of troops are there. By the way, nobody was dispatching any troops there, we did not send even a single extra soldier there, not a single armored vehicle, not a single tank, not a single submachinegun was dispatched there [sentence as heard].

And I would express a wish that Ukraine should supply more comprehensive information: Television, radio, the Ukrainian press should supply more clear-cut information about what is being done in our state and pay special attention to the Crimean issue. [end recording]

### Deputies Offer Solutions to Crimean Issue

*LD0106160294 Moscow ITAR-TASS World Service in Russian 1500 GMT 1 Jun 94*

[By ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev, 1 Jun—"Official Simferopol must remember that Crimea is a constituent part of Ukraine, and therefore it ought to bring the Constitution of the autonomous republic in line with Ukrainian legislation." That was the main idea of today's speeches by Ukrainian parliamentarians during the debate on the "Crimean question."

Some deputies demanded that the Constitution of the Crimean republic be suspended until it is brought in line with the Constitution of Ukraine, and that the population of the peninsula should abide by the laws of the Ukrainian state. Some said that the powers of the Crimean Supreme Council must be suspended early. In this connection, the Ukrainian president was asked to set up executive bodies of state power on the territory of Crimea and to ensure that Ukraine's constitutional norms are observed.

Many speakers believe that the situation in Crimea is adversely affected by the presence of Russian military units. In the opinion of some deputies, talks should be held with the Russian president about the withdrawal of Russian military formations, ships, and associations of the Black Sea Fleet beyond Ukrainian borders. However, the Ukrainian president does not share this point of view. He believes that "this issue cannot be approached from this angle". This would be wrong above all from a strategic point of view, he said. Ukraine cannot afford to deprive Russia of the possibility of having its own fleet in the Black Sea, he said.

History determined that Ukraine and Russia must be friends, live in peace with each other, and have relations of equal partnership, he said. The question of the fleet is an "issue between Ukraine and Russia," Leonid Kravchuk stressed. And it must be resolved gradually without making the situation worse.

Some parliamentarians believe that in many respects the Crimean issue has arisen because socio-economic problems on the peninsula remain unresolved.

## Crimean Adviser Says 'Civil Readiness' in Effect

*LD0106132994 Moscow RIA in English 0935 GMT 1 Jun 94*

[Text] Moscow, June 1, RIA—"Morally the people of the Crimea are ready for any situation that may develop on the peninsula," the Crimean president's military adviser Petr Chernyatevich declared in conversation over the telephone with a RIA correspondent. A plenary session of the Supreme Soviet of the Crimea is opening today to discuss questions relating to the present situation. The reaction of the Crimean parliamentarians will depend on what decisions the Ukrainian Supreme Soviet passes today, believes Chernyatevich.

The Crimeans hold a wait-and-see position which can be described as the state of civil readiness, according to Chernyatevich. He expressed the confidence that the people would allow nobody to violate its Constitution. "Kiev must reckon with the fact that we have a nationally elected president and a nationally elected Supreme Soviet, and the will of the people is something that one has to reckon with," said the Crimean president's adviser.

Right today Petr Chernyatevich intends to meet with the commander of the Ukrainian National Guard, Colonel Aleksandr Kostyukov in order to find out the reasons and aims of the continuing movements of the units subordinate to him.

## Turkish President Speaks Against UN-Imposed Embargo on Iraq

*TA0106163294 Ankara ANATOLIA in English 1530 GMT 1 Jun 94*

[Text] Kiev, Ukraine, June 1 (A.A.)—President Suleyman Demirel on Wednesday said that Turkey strongly regrets conditional U.S. aid to Turkey.

"We do not consider this a friendly gesture," he told reporters in the Ukraine where he is on an official visit.

The U.S. House of Representatives, which approved on Wednesday a 13.5-billion-dollar foreign aid bill for fiscal 1995, withheld a quarter of the 363 million dollars earmarked for Turkey in foreign military sales, pending progress on human rights and on Cyprus.

"We strongly regret the fact that the aid will be tied to conditions such as human rights, terror and Cyprus," he said. "Under these circumstances, it is only natural that the extension of the multi-national allied forces in Incirlik was not discussed at the National Security Council meeting which was held during the weekend.

"The mandate for the forces is to end by the end of this month," he said. Demirel pointed out that the force had been invited by Turkey in the first place to protect northern Iraqi Kurds from renewed attacks by Iraqi leader Saddam Husayn after a failed Kurdish rebellion following Iraq's Gulf War defeat.

"We have been defending them (northern Iraqi Kurds) for years," he said. "But now we are facing such behavior by the U.S. Congress. The extension of the mandate is to the advantage of Turkey and we shall meet with the Security Council again to discuss it."

Regarding the U.N.-imposed trade embargo against Iraq, Demirel said that Turkey has suffered from it and that nowhere on earth can innocent people be so punished, referring to the people of Iraq.

"The integration of the Iraqi Government to the international community is leading the country to disintegration and this will hurt world peace," he said. "Unfortunately the United States, Britain and France have transformed it into an internal political issue."

Demirel also stressed that neither Turkey nor the Arab world wants Iraq's disintegration.

### Turkish Trawler Captain Arrested for Illegal Fishing

*PM0106111994 Moscow KOMSOMOLSKAYA PRAVDA in Russian 31 May 94 p 2*

[Aleksandr Potemkin report: "Turks Love Ukrainian Flounder"]

[Text] An unusual procession appeared in the roads of the port of Odessa early in the morning of 28 May—the border vessel P. Derzhavin towing a bright red Turkish fishing schooner. The fishermen, who had full black moustaches, were resignedly sunning themselves, lounging on coils of nets. A mountain of fish, protected from the sun by a covering of straw, rose up in the middle of the schooner. The border guards had marked their professional day (which, by the way, is not officially celebrated in Ukraine) by arresting the first violator of the economic border since 1991.

The great power has collapsed. We can't even sort out our internal borders, let alone the external ones: The Japanese pilfer the sea stock off Sakhalin while the Turks run the show in the Black Sea, treating it as if it were their own little pond.

"The Turks know that we don't have enough fuel or seaworthy ships to patrol and so they become brazen," Captain Third Rank Grigoriy Zubov, deputy chief of the border brigade, told me. "Then fuel appeared. We make our first trip out and come back with a 'catch'."

There are a lot of fish in the coastal waters today. The economic crisis has helped: The kolkhozes have no money to buy toxic chemicals, which the rain later washes out to sea, while the industrial giants and heat and electric power stations, which polluted the water with their discharges, are idle. And so flounders, beluga, and mullet are returning to their native coastal waters. While Turkish schooners, having laid in kilometers of netting, sail in pursuit of them.

The poaching by the schooner Mekke [name as transliterated] in the Black Sea's coastal waters is not the first documented case of violation of the country's maritime area this year. At the beginning of May, a fleet of 24 Turkish ships essentially blocked off the spawning routes of the flounder with their nets in the Skadovsk area. A small fisheries protection vessel which went out to investigate the violation was attacked by the Turks. Border guard vessels summoned from Balaklava and Odessa to seize the foreign fishermen were unable to do so, as the latter escaped into neutral waters.

This time the border guard vessel spotted the poachers' marker buoys east of the island of Zmeinyy. It was immediately obvious that they were not local fishermen's nets: Under Ukrainian legislation, it is forbidden to take flounders in the Black Sea; this fish was on the verge of extinction until quite recently. After a while the owner of the nets—a Turkish schooner, calmly making its way towards its haul—appeared.

It transpired that the Turks were using around 3 kilometers of net, in which 740 flounder, beluga, dogfish, and skate quivered. More than 20 dolphin caught up in the net suffocated to death. The damage caused to the Black Sea's ecology, even at modest Ukrainian prices, comes to several thousand dollars.

Estura Bogadina [names as transliterated], the captain and owner of the schooner Mekke, now awaits trial in Odessa. The vessel and nets will remain in the port of Odessa until a fine is paid.

### Gromov Leads Russian Navy Delegation to Sevastopol

*LD0106125394 Moscow ITAR-TASS in English 1101 GMT 1 Jun 94*

[Report by ITAR-TASS correspondent Roman Zadunaiskiy]

[Text] Moscow 1 June TASS—A Russian naval delegation, led by commander-in-chief of the Russian naval forces Admiral Feliks Gromov, arrived for a three-day visit in Sevastopol in the morning today, the chief base of the Black Sea Navy, ITAR-TASS has learned from naval headquarters.

The delegation includes 20 top officers, including chiefs of departments and services of the chief naval staff and the Russian Defence Ministry. The purpose of the visit is to discuss the future of the fleet with the Black Sea Navy Command, to draw up proposals for the intergovernmental agreement on the Black Sea Navy, and to study the situation in places where the navy is based.

Admiral Gromov is expected to meet commander-in-chief of the Black Sea Navy Admiral Eduard Baltin today.

ITAR-TASS has learned that it is planned to set up a Russian team of experts to work on the elaboration of documents on the Black Sea Navy together with a similar Ukrainian team.

### Navy Men Protest Base Transition to Ukraine Navy

*LD0106161094 Moscow ITAR-TASS in English 1421 GMT 1 Jun 94*

[by ITAR-TASS correspondent Vladimir Gondusov]

[Text] Sevastopol June 1 TASS—Naval officers and sailors serving at the Black Sea Fleet base in the Crimean settlement of Donuzlava filed a protest today against the planned transition of the base to the Ukrainian Navy.

The written protest was handed over to Admiral Feliks Gromov, commander-in-chief of the Russian Navy, who is now on an inspection tour in the Crimea.

TASS has learnt that according to the document, over seven thousand naval officers and sailors, servicemen of

the base's garrison, as well as their families will find themselves without means of subsistence and will have to leave their homes looking for new jobs and housing in case the base in Donuzlava is put under the Ukrainian command. Moreover, the protesters are sure the base and the settlment will inevitably fall into decay.

During the Moscow talks on the Black Sea Fleet's division between Russia and Ukraine, the Donuzlava base was named among possible locations of the Ukrainan share of the disputed fleet.

### Ministry Warns of Environmental Damage From Naval Activity

*MK0106114094 Moscow SEGODNYA in Russian 1 Jun 94 p 5*

[Konstantin Parishkura report from Kiev in the "Ukraine" column: "An Ecological Aspect Has Emerged in the Black Sea Fleet Division Problem. Damage by the Russian Navy Could Amount to 53 Billion Karbovanets a Year"]

[Text] The Ukraine Environment Protection Ministry has issued a report saying that $17.16 billion is required to clean up environmental pollution caused by Black Sea Fleet units located on Ukraine's territory. According to the ministry, in the Sevastopol bay alone vessels dump approximately 1,000 cubic meters of untreated sewage water every day. The main pollution source in the Sevastopol bay is a fuel tank. Underground waters, the soil, and the sea bed are contaminated. In some parts of the bay the depth of toxic deposits reaches 40 meters.

The Sevastopol bay is virtually dead. Approximately 30 ships, as well as ammunition and spare parts, are lying at its bottom. One-third of the land occupied by fleet bases needs recultivation. The volume of contaminated underground waters is approximately 4 million cubic meters. In the event of the fleet's division in the proportions envisioned (18 percent of vessels to Ukraine and the rest to Russia), according to the Environmental Protection Ministry, the Ukraine Main Ecological Inspectorate, and the corresponding services of the Republic of Crimea and Sevastopol city, the environmental damage from the Russian Navy on Ukrainian territory will amount to 53 billion karbovanets a year.

The Ukrainian Environmental Protection Ministry has demanded that the ecological aspect of the problem be taken into consideration in sharing out the Black Sea Fleet because neutralizing the effects of the fleet's activity exceeds the cost of the fleet itself by three to three and a half times.

## National Affairs

### Kravchuk Addresses Supreme Council 2 Jun

*LD0206123494 Kiev Radio Ukraine World Service in Ukrainian 0840 GMT 2 Jun 94*

[Speech by President Leonid Kravchuk at a Supreme Council session in Kiev—live]

[Text] Esteemed people's deputies: In my speech to you, to the Supreme Council, I set out the arguments. In analyzing the discussions that took piace both yesterday and today, it seemed to me that the stress was put only on the first argument; namely, on the necessity of postponing the elections. But the other important argument—that if the Supreme Council adopts the relevant laws and clarifications then the elections should be held—was not analyzed. Therefore, I am not saying from this podium that the elections should not be held. I said, and I am saying, and I stick to this point of view, that it is necessary to hold the elections [applause], but must be held only when the elections are subject to a legislative base. This is my position and it is based on the fact that otherwise we could finally lose control of power. If the elections are held without the introduction of amendments and additions to the Constitution and laws and if the authorities of oblast and rayon chairmen, and so on, are not clearly defined, then we will have an uncontrolled situation and we will have a complete collapse of the executive authority.

I am not threatening you. I am speaking from the experience we have had since 1990, and you will recall that we did not introduce presidency because of someone's whim but because of the situation that developed.

Second, if you carefully read the law passed by the previous Supreme Council on the formation of national and local state and representative bodies, you will not find any mention of president there. I remember how your predecessors censored this law and how much they were opposed to the institution of presidency. Suddenly, today, they say that a president must be elected. I am asking you, how? If that law vests everything in the government, this being only a probability because no one knows what specifically is vested, since it only says that specific laws are yet to be worked out, what is the role of the president?

If the president is popularly elected given these powers—and as far as I can see, there is no alternative—we will have a president in Kiev, who will be the head of state and head of executive power, with no tools whatsoever for the president's regional influence. That is why I am saying that these issues must be settled.

If the Supreme Council really wants, as some declared here, Ukraine to remain an independent, governed, sovereign, and democratic state, then, confirming its decision to hold the election on 26 June, it should not make a mere general statement, but take a specific responsibility here, in front of everyone, to prepare

relevant documents before 26 June. This must be stated in a resolution. Because the draft resolution says: submit before 12 June—I read on—documents regulating the powers of the president of Ukraine. The powers of the Ukrainian president are regulated by the Constitution, and no law can change it, no matter how much you may wish. Changes must be made in the Constitution. Is there a real possibility of making the changes? If there is, let us make them. I am in favor of this; moreover, I was the first to stand for a clear delimitation of powers, and it was my proposal to write down in the draft constitution the delimitation of the president's powers as the head of state and the head of executive power. But this must be written down in the Constitution.

Therefore, I would like you to withdraw the allegations made here that someone wants to hold on to his seat, and someone wants something else, and questions as to why the president signed the law on elections. Yes, the president did sign it, but the president has since submitted draft documents to the Supreme Council concerning the law on power, and you said here from the podium that the law on power was absolutely redundant. But it clearly defined what the president does, what the government does, what judicial power does, and what the Supreme Council does. People would have voted for it on 27 March, and then, on this basis, elections would be held. Then there would have been no tug-of-war. But you did not want it that way.

Now there's another interesting point. They say that you need only one change: the chairman of an oblast council should be elected by council deputies. Then all will be well. I am asking you: If the chairman is elected by council deputies, can the central government dismiss him? No. Can the president do so? No. I have now three times more powers against the president of Crimea then the president elected in June will have against an oblast or rayon council chairman. If we are to elect a president not just because one does not like the current president, as I feel the case is, I would like the president to be elected without destroying state and executive power, legitimately, consistently, and without saying: Why do we need these legal intricacies, the people want elections! Because tomorrow, when it is destroyed, the same people will come to the Supreme Council and say they are getting no pension, because the budget will not receive any contributions, they are not getting this, they are not getting that. I ask you, who will answer these questions and how?

If we are to create new power, in which I support you, let us create it in a way to make it work. I repeat: The power we will elect now will not work. If it does, there will be no control over this power by present law. I don't want to be a prophet in my country, as they say, but you will see it for yourself in a while. That's why I want us to approach the situation in a very responsible way.

If the Supreme Council and its commissions undertake to amend these laws and lay the necessary emphases in the laws passed by your predecessors, then there is no doubt that I will support the elections. This is my absolutely clear position on local elections.

Second, my position on the presidential election. The president's status today is defined by the Constitution. If the president is elected in this status, then, believe me, if he endures all the tortures of election, no Supreme Council will take away any powers from him. Therefore, any change will have to be put to a referendum. Someone here already hinted at a referendum, that we must hold one to see what is necessary and what is not. This is a curious line of argument, electing a president with all his powers in June, and holding a referendum in September to see if there is any need for him at all. What powers can you then taken away from him?

I ask you, what are we after? Just to pass on slogans? I am appealing to you: you will have the greatest responsibility, and I want you to know this, because the presidential campaign is under way. I am a presidential candidate. You are a popularly elected legitimate Supreme Council, a constitutional but not a full-blooded one, because one third of deputies are missing. Some regions are not represented in the Supreme Council. But you are a legitimate, constitutional Supreme Council. You bear the greatest responsibility today for the kind of power we will form. History must know this, what kind of power we are forming. What kind of power it will be is exclusively and fully within the competence of the Supreme Council. Any political passions, any allegations as to who wants what and how, must be dismissed if we indeed are rooting for Ukraine. You can quote enough arguments today both for and against. I want us to form a strong executive power, a legitimate supreme legislative power, and a president with clear and well- defined powers. If we do this, and I urge you to do this, then we need to go to the polls on 26 June. Whoever wins will win—I never denied that.

### Further on Kravchuk Address

*LD0106135694 Kiev UNIAN in Ukrainian 1130 GMT 1 Jun 94*

[Excerpts] Kiev [no date as received]—Speaking at a plenary session of Ukraine's Supreme Council today, President Leonid Kravchuk emphasized an urgent need to resolve the situation in Crimea, describing it as a matter of peace on the European continent. [passage omitted]

Leonid Kravchuk stressed that peace on the peninsula can be achieved only by placing Crimea in the framework of Ukraine's Constitution and laws. He said that the Crimean leaders' references to the agreement between Tatarstan and the Russian Federation as an example are misplaced since they cite an agreement between a federation and its part which clearly defines the federation's supremacy.

Leonid Kravchuk described the actions of the Crimean leadership as destructive to Ukraine's sovereignty. He said Ukraine's Government has always met Crimea

halfway, which is obvious from the laws on the delimitation of powers between the state authorities of Ukraine and Crimea and on the open economic system in Crimea that enables the republic to function in a wide legal range. The Government of Ukraine also accepts Crimea's proposals of wide- ranging budgetary freedom. But Crimea is not living up to its budgetary obligations.

Leonid Kravchuk also pointed out Crimea's tendency to attract specialists from Russia which reveals a disregard for local personnel and, in the president's view, violates the law of Ukraine on citizenship. [passage omitted]

Leonid Kravchuk stressed that stabilization in Crimea will facilitate completion of negotiations between Ukraine and Russia on the division of the Black Sea Fleet, the deployment of the two fleets from separate bases, a definition of the status of the Crimea-based Russian fleet, payment of compensation for the ships which Ukraine is giving up as redundant, the division of the marine infantry, and so on.

Leonid Kravchuk proposed a draft resolution to be passed by Ukraine's Supreme Council "On Implementation of the Ukrainian Supreme Council Resolution of 20 May 1994 on Suspension of the Law of the Crimean Republic on the Restoration of the Constitutional Foundations of the Crimean Republic." It proposes to form a Ukrainian constitutional court with decision-making powers, instruct the Ukrainian Supreme Council chairman to ask the Constitutional Court to decide whether the Crimean republic's law "On the Restoration of the Constitutional Foundations of the Crimean Republic" accords with the Constitution and laws of Ukraine, advise the Supreme Council of Crimea to reconsider bringing the autonomy's Constitution in line with the Constitution and laws of Ukraine, and establish that the Ukrainian Supreme Council resolution of 20 May 1994 remains valid pending a relevant judgement by the Constitutional Court of Ukraine.

A total of 58 people's deputies of Ukraine signed up to speak in the debate. In their speeches, deputies are calling for dissolution of the Crimean Supreme Council and suspension of its activities (Ivan Zayets, Vasyl Kornelyuk, Andriy Mostytskyy) and the introduction of direct presidential rule. Some suggest forming a delegation of deputies to go to Crimea to study all aspects of the problem, and considering interstate agreements between Ukraine and Russia on the inadmissibility of infringement of territorial integrity (Ruslan Bodelan).

The debate continues.

### Deputies Discuss Kravchuk Speech

*LD0106140494 Kiev UNIAR in Ukrainian 1100 GMT 1 Jun 94*

[Text] Kiev, 1 Jun—A discussion of President Leonid Kravchuk's speech on the situation in the Republic of Crimea and on the draft resolution "On Implementing the Supreme Council of Ukraine's Resolution of 20 May 1994 on Suspending the Actions of the Law of the Republic of Crimea on Renewing the Constitutional Bases of Crimea's Statehood" has begun at a session of the Supreme Council.

People's Deputy Petro Osadchuk sharply criticized the draft resolution and noted that the document "plays into Yuriy Meshkov's hands" and is an example of "Kravchuk's head in the sand policy" over Crimea.

Admiral Borys Kozhyn, speaking on behalf of the Rukh deputies' group, noted that the Republic of Crimea should be transformed into a Crimea-Tatar autonomy within the composition of Ukraine. He criticized the president and the government since, in his words, they assumed the position of detached onlookers of events in Crimea. Borys Kozhyn proposed that the president should travel to Crimea together with ministers to "tackle the problem within the law."

Serhiy Kyyashko, a representative of the socialist group, supported Kravchuk's proposal and the draft resolution.

Olha Pshenychna, a deputy from Crimea and member of the interregional deputies' group, asked deputies "not to make any hasty conclusions and decisions noting that people in Crimea want peace and not bloodshed." She proposed that the president of Ukraine should seek advice from the Russian president and that the Supreme Council of Ukraine should seek advice from the Russian State Duma.

People's Deputy Serhiy Holovatyy said that he has a plan on how to solve the "Crimean problem" and is prepared to give it to the president.

Discussion of this issue continues.

### Parliament Fails To Approve Kravchuk Resolution on Crimea

*LD0106205194 Kiev UNIAN in Ukrainian 1855 GMT 1 Jun 94*

[Text] Kiev—At the evening plenary sitting of the Supreme Council on 1 June, at which the situation in Crimea was considered, the resolutions offered by the president of Ukraine and the working commission which was drafting deputies' proposals, was not approved. The working group was charged with drafting this resolution. A resolution of the Supreme Council "On the implementation of the resolution by the Supreme Council of Ukraine of 20 May 1994 'On terminating the effect of the Law of the Republic of Crimea,' 'On the restoration of the constitutional fundamentals of statehood of the Republic of Crimea'" was approved after its new wording had been discussed. It indicates that the resolution by the Supreme Council of Ukraine of 20 May 1994, in that part of it which stipulates the termination of the effect of the above Law of the Republic of Crimea, is valid. The resolution determines that the Supreme Council of Crimea failed to fulfill the demands stipulated by the resolution of the Supreme Council of

Ukraine "On putting into effect the law of Ukraine 'On introducing amendments and additions to the Law of Ukraine,' 'On the status of the autonomous Republic of Crimea'" of 30 June 1992 which did not allow to put this Law into effect. The commission for issues of legal policy and judicial and legal reform was charged with submitting in two weeks' time a resolution for the consideration of the Supreme Council on bringing the entire legislation of Crimea in line with the legislation of Ukraine.

The president of Ukraine, as a guarantor of the Constitution of Ukraine, was proposed to submit within six days a list and sequence of measures which stem from the Constitution and the current legislation of Ukraine and which can be taken by the bodies of state power of Ukraine.

Also considered at the sitting was the proposal by the president of Ukraine, which was contained in his message to parliament, on the inexpediency of holding the elections to the president and local self-government bodies on 26 June. Oleksandr Moroz submitted a draft resolution envisaging that postponement of the election is inexpedient. However, the majority of deputies were inclined to the need for more substantial consideration of this issue in the groups and commissions. Some of the deputies proposed that the presidential election and the election of the chairmen of the oblast councils be cancelled and elections at other levels be held. Mykhaylo Kosiv of Rukh [People's Movement of Ukraine] emphasized the need to introduce amendments and additions to the Law on local self-government before the 26 June elections and thus remove Leonid Kravchuk's arguments about their inexpediency.

Representatives of the communists' group supported the holding of elections and proposed that Leonid Kravchuk "meet the day of his defeat worthily." It was resolved to postpone consideration of this issue and the adoption of a decision on this issue till the morning sitting on 2 June.

At the request of the provisional credentials committee "in connection with new facts concerning the election of Volodymyr Hrynyov and Pavlo Kudyukin as people's deputies of Ukraine" it was decided to give the commission another week to ascertain the results of the election. During this week the commission is to pay a second visit to the electoral districts.

## Supreme Council Issues Resolution on Crimea

*LD0206102594 Kiev UNIAR in Ukrainian 0700 GMT 2 Jun 94*

[Text] Kiev, 1 Jun—By 241 votes for and 38 votes against, the Ukrainian Supreme Council approved the resolution "On the implementation of the resolution by the Supreme Council of Ukraine of 24 February 1994 on the status of the autonomous republic of Crimea according to the current Constitution and legislation of Ukraine, and the resolution by the Supreme Council of Ukraine of 20 May 1994 on suspension of the law of the Crimean Republic on the restoration of the Constitutional foundations of the Crimean Republic's statehood."

"The Supreme Council of Ukraine," the resolution says, "hereby notes that the Supreme Council of Crimea failed to comply with the requirements of Clauses 1-3 of the Ukrainian Supreme Council resolution of 24 February 1994 on the status of the autonomous republic of Crimea according to the current Constitution and legislation of Ukraine, and Clause 2 of the resolution by the Supreme Council of Ukraine of 20 May 1994, and did not bring the Constitution of the Republic of Crimea in accordance with the Constitution of Ukraine within 10 days. Proceeding from this, and with the aim of safeguarding the functioning of all bodies of state power and self-government in Ukraine, in full accordance with the Constitution and laws of Ukraine and the process of consistent formation of a law-governed state, the Supreme Council of Ukraine hereby resolves:

1. To state that the resolution by the Supreme Council of Ukraine of 20 May 1994, in the part concerning the suspension of the law of the Republic of Crimea on the restoration of Constitutional foundations of the Crimean republic's statehood, remains in force.

2. To acknowledge the fact that the Supreme Council of Crimea has not complied with the requirements of the resolution by the Supreme Council of Ukraine of 20 May 1994 on enactment of the law of Ukraine on amendments and additions to the law of Ukraine on the status of the autonomous republic of Crimea, thus preventing the law from taking force.

3. To instruct the Commission for Legal Policy, Judicial and Legal Reform, and the Law of Procedure to submit proposals to the Supreme Council of Ukraine within two weeks on amendments and additions to the current legislation which would foresee annulment of legal acts passed by the Supreme Council of Crimea on their suspension by the Supreme Council of Ukraine and bringing these legal acts in line with the Constitution and laws of Ukraine within the established period; to submit within one month conclusions as to correspondence between the Constitution of the Republic of Crimea and Ukraine's legislation.

4. To propose, in accordance with Clause 35 of Article 97 of the Constitution of Ukraine, that the president of Ukraine as a guarantor of the Constitution of Ukraine submit before 6 June 1994 to the Supreme Council of Ukraine a list of measures based on the Constitution and the current legislation of Ukraine which can be taken by Ukraine's state authorities, in the event of failure to comply with the Constitution and laws of Ukraine."

### Kiev '99 Percent Ready' to Introduce Direct Rule in Crimea

*LD0106164694 Moscow INTERFAX in English 1541 GMT 1 Jun 94*

[Text] Kiev is 99 percent ready to introduce direct presidential rule in Crimea. This is the opinion of the head of staff of the Crimean president and government Viktor Minin.

In a Wednesday interview with INTERFAX Minin said that the situation in the peninsula is being used for a top-level power struggle in Kiev.

Minin, who met the speaker of the Ukrainian parliament Aleksandr Moroz several days ago, hopes that the parliament will not support the proposals of several politicians in Kiev to introduce direct presidential rule. According to him, Moroz is the only person in Ukraine representing the new legitimate power and does not want to be held responsible for the sins of the old leadership.

Several days ago Moroz spoke against presidential rule in Crimea.

Minin predicted that direct presidential rule would lead to confrontation between Russia and Ukraine. "Russia would either have to wash its hands, or react", he remarked. "If Yeltsin does nothing, Zhirinovskiy and the Russian military are going to demand either tough measures or a change of government."

In Minin's opinion the only reasonable way out of the crisis is the signing of a treaty between Ukraine and Crimea as a republic within Ukraine and the expansion of trade and economic relations between Crimea and Russia.

### Parliamentary Delegation Leaves for Crimea

*LD0206113594 Moscow ITAR-TASS in English 1111 GMT 2 Jun 94*

[Report by ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev 2 June TASS—A Ukrainian parliamentary delegation left today for the Crimea in a bid to settle the dispute with this semi-autonomous republic over its latest decrees, which are regarded by Kiev as the first step towards secession.

"In any case, our delegation must spare no efforts in order to put an end to all the current negative processes in the Crimea. We will do our best to settle all the problems in a civilized manner," delegation head Vladimir Butkevich told TASS before departure.

According to the lawmaker, the delegation has received "broad powers to conduct negotiations on the whole range of disputed problems, including economic and juridical ones, as well as problems of security."

Butkevich stressed that the delegation will act in compliance with a parliamentary resolution stipulating that the Crimea's decision to reinstate the 1992 constitution was illegal and contradicted the laws of Ukraine.

The parliament asked President Kravchuk to draw up before 6 June a list of measures which state power bodies could use against the Crimea in case the republic violate's the country's Constitution.

### Kuchma, Moroz on Reasons for Crimea Crisis

*LD0106161994 Kiev UNIAR in Ukrainian 1400 GMT 1 Jun 94*

[Text] Kiev, 1 Jun—Supreme Council deputies have approved a protocol of instruction from the Commission on Human Rights, Ethnic Minorities and Interethnic Relations, while the Commission for Issues of Legal Policy has prepared a final version of the resolution on the situation in Crimea. The commission has started to work.

On 31 May, deputies elected commission chairmen as a package. As is known, only one vacant seat, that of the Commission for Issues of Ecological Policy, remained vacant. Today, Supreme Council Chairman Oleksandr Moroz proposed that Ivan Zayets should be elected to this post. But only 156 deputies voted for this proposal, 13 short of the number required.

Leonid Kuchma made a speech at the plenary sitting. He noted that the main reason for the crisis in Crimea is that economic problems were becoming aggravated. In his words, there were no active anti-Ukrainian and pro-Russian feelings in Crimea two years ago. Leonid Kuchma sees the solution in really giving Crimea a special status. He noted: "However, there is a limit beyond which we cannot go: Crimea should unambiguously be within the composition of Ukraine."

Oleksandr Moroz stressed that there are objective factors in the Crimean crisis, i.e. mistakes in the former USSR's policies and mistakes in resolving the fate of the Black Sea Fleet, and also subjective factors, i.e. the clash of several nationalisms in Crimea and the blocking of the creation of a constitutional court. He proposed that economic relations be unblocked and that the tourist season in Crimea be allowed to function normally.

### Kuchma on Relations With Crimea, Ways To Reach Settlement

*WS0206125994 Lvov MOLODA HALYCHYNA in Ukrainian 26 May 94 p 1*

["Exclusive" interview with former Prime Minister Leonid Kuchma, by Oksana Mykhaylenko; place and date not given: "Peninsula of Instability or Compromise?"]

[Text] [Kuchma] Ukraine can develop by either choosing the African way or the civilized one, that is European, Japanese, or South Korean. We need new technologies and not shovels.

[Mykhaylenko] What role in this process do you assign to Russia?

[Kuchma] Given that Japan, for instance, is trying to initiate close ties with Russia why should Ukraine disrupt them? Ukraine entirely depends on Russian raw materials. In light of this, we should proceed from existing realities. Ukraine sells 80 percent of its products to Russia. If we lose this market we will never be able to reclaim it. Our economy must not be closed to the outside world. I am ready to personally greet large Japanese firms thath will arrive in Ukraine with their investments and new technologies. Everything that will be manufactured on Ukraine's territory will remain there.

[Mykhaylenko] How do you treat the idea voiced by both Crimean President Meshkov and Ostankino, who maintain that the aggravation of the situation in Crimea is used to postpone presidential elections in Ukraine?

[Kuchma] I would not like to be so blunt, but certain nuances of this kind seem conceivable. It is possible to annul presidential elections under the current circumstances. Who is interested in annulling them? The president. Thus both you and I have grounds to ask this kind of question.

[Mykhaylenko] Are you going to visit Crimea?

[Kuchma] My visit to Crimea would be inexpedient. We have the president, while I am often depicted as the pro-Russian enemy No. 1. The president should proceed from the belief that future generations will not forgive us faulty steps. Once we gave Crimea autonomy why raise a turmoil?

[Mykhaylenko] Crimean Supreme Soviet Chairman Tsekov suggests that Ukraine join Russia along with Crimea.

[Kuchma] However I have never said this. Is it not clear that those are just political games and a fight for power?

[Mykhaylenko] In light of current relations between Ukraine and Crimea, what compromises can the Ukrainian and Crimean legislatures reach?

[Kuchma] Legislative speaker Moroz should go to Crimea and start negotiating. There is only one way to improve the situation, namely by creating conditions for the economic development in the Crimea. Perhaps form a free economic zone. China does not want to take Hong Kong back, because the latter is profitable for China.

[Mykhaylenko] What concessions should Crimea make?

[Kuchma] Crimea should acknowledge that it is and will remain a part of Ukraine.

## Kuchma Views on Restructuring Economy, Crimea Issue

*LD0106214494 Moscow INTERFAX in English 2004 GMT 1 Jun 94*

[Text] A candidate for the Ukrainian presidency, Leonid Kuchma, has said that his first step in the office would be to reconstruct 90 percent of Ukraine's enterprises like West Germany is doing in East Germany. Speaking at a news conference in Kiev Wednesday [1 June], he pointed out that he pinned his hopes on private foreign capital rather than centralized western aid in the resolution of economic issues.

"We have no hope for a Marshall plan, that is why Ukraine should rely on its own forces in the first place," Kuchma was quoted as saying. He added that it was necessary to create such rules of the games that western partners did not fear to lose their investments.

Commenting on his initiative to grant Crimea special status announced in parliament Wednesday, Kuchma said he meant the status of a free economic area. It is necessary to give Crimea more economic independence rather than take back powers, he said adding that Crimea should be kept within the Ukrainian state borders,.

The presidential elections in Ukraine will be held on 26 June.

Leonid Kuchma is Ukraine's former prime minister, presently the president of the Ukrainian Industrialists and Entrepreneurs' Union and the leader of the Interregional Bloc for Reforms.

## Speaker Calls for Diplomatic Solution to Crimean Problem

*LD0106153394 Moscow ITAR-TASS in English 1405 GMT 1 Jun 94*

[By ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev June 1 TASS—"The wrong regional policy of the former Soviet Union and the uncertainty of the fate of the Black Sea Fleet are the top two objective causes of the Crimean problem," Ukrainian parliament chairman Oleksandr Moroz said.

Speaking at a session of the parliament on Wednesday, Moroz said that among the subjective causes are "intolerance in solving ethnic problems and the clash of several nationalist tendencies."

"It is necessary now to neutralise these factors as soon as possible by restoring economic ties and providing conditions for normal rest and recreation in the Crimea," Moroz said.

He stressed that Ukraine must use all possible diplomatic channels to ease tension and put the problem within the constitutional framework, without using force.

### Lvov Oblast Council Appeals for Postponement of Elections

*WS0206071294 Lvov VYSOKYY ZAMOK in Ukrainian 26 May 94 p 1*

["Appeal by the session of the Lvov Oblast Council of People's Deputies to the president of Ukraine and the Ukrainian Supreme Council"; date not given]

[Text] Esteemed Mr. President and Mr. Chairman, esteemed deputies!

The session of the Lvov Oblast Council of people's deputies is alarmed by the fact that the current political situation in Ukraine poses a serious threat to the processes of developing the state.

The June elections of the president of Ukraine and of local bodies of power, which are to be held under the constitutional crisis, were further exacerbated by the absence of an appropriate legal basis and society's distinct stance with regard to the state structure and the bodies of power. Presuming that the people of Ukraine are the sole and superior representatives of power on Ukraine's territory, the elections should be held only after all citizens-electors and candidates to the elected bodies fully comprehend both the functions and powers of the newly elected administration. Otherwise, such elections will not guarantee the full scope of civil rights, while the electors will become the victims of political fraud and manipulations and guinea pigs for endless exhausting political experiments.

Attempts to introduce the federative-oblast territorial structure of the state during the June elections, while no appropriate constitutional basis yet exists, may initiate a broad expansion of separatist processes, a dismembering of Ukraine, and antistate activities, which have recently been vividly demonstrated in Crimea.

We, the deputies of the Lvov Oblast Council of People's Deputies, demand that both the elections of the president and of local bodies of power be postponed by the period necessary for the Supreme Council to adopt the law on the structure and powers of administration.

### Demands Presidential Rule in Crimea

*WS0206071394 Lvov VYSOKYY ZAMOK in Ukrainian 26 May 94 p 1*

[Appeal by the session of the Lvov Oblast Council of people's deputies to the president of Ukraine and the Ukrainian Supreme Council; date not given]

[Text] Esteemed Mr. President and Mr. Chairman, esteemed deputies!

We, the deputies of the Lvov Oblast Council of People's Deputies are gravely concerned with the escalation of the activities of separatist antistate anti-Ukrainian forces in Crimea, supported by the Crimean president, the Crimean Supreme Soviet leadership, and imperial-chauvinistic forces in Russia. Supporting the Ukrainian president's recent statement regarding the situation in Crimea, we hope that the administration will take decisive consequent measures to safeguard the unity and integrity of the Ukrainian state, and thus, prevent the escalation of anti-Ukrainian moves on its territory.

In light of the tense political situation in Crimea we demand that:

Measures be taken to discontinue the antistate and anti-Ukrainian propaganda carried out by Russian mass media on the territory of Ukraine;

Measures be taken to strengthen Ukraine's northern and eastern borders to prevent the infiltration into our territory of foreign military formations and arms. Appropriate governmental structures be requested to pay attention to the deployment of Russian troops along Ukrainian borders.

To discontinue further development of separatist activities in Crimea a state of emergency be proclaimed there and direct presidential rule introduced.

Proceeding from the provisions of the tripartite agreement of Ukraine, Russia, and the United States, unilateral nuclear disarmament of Ukraine be suspended until the international community provides distinct guarantees of Ukraine's territorial integrity and Russian troops are altogether withdrawn from the territory of the Ukrainian state.

### Suspends Electoral Commissions Activities

*WS0206071694 Lvov VYSOKYY ZAMOK in Ukrainian 26 May 94 p 1*

[Resolution by the Lvov Oblast Council of People's Deputies "On Suspending the Activities of the Commissions for Oblast Council Elections"]

[Text] Proceeding from the constitutional provision to the effect that the people are the superior and sole representatives of power; taking into account that as of today:

- The provisions of Article 1 of the Law of Ukraine "On the Forming of Local Bodies of Power and Self-Government" have not been implemented;
- Society's stance with regard to the state structure has not been determined, and normative acts about the structure and powers of the administration have not been adopted;
- Unwilling to deceive the electors and thus plant disbelief and cause total degradation of the administration's prestige;
- Realizing its responsibility for the fate of the state;
- The Lvov Oblast Council of People's Deputies has resolved:

1. To suspend the activities of the territorial and 75 district commissions for the elections of the chairman

and deputies of the oblast council until a law is adopted on the structure and powers of the administration.

2. The resolution becomes valid on the day of adoption.

### Correspondent Views Kravchuk Visit to Chernobyl Plant

*AU0206082394 Kiev MOLOD UKRAYINY in Ukrainian 31 May 94 p 1*

[Report by Viktor Kozoriz from the Chernobyl Atomic Electric Power Plant-Slavutych-Kiev: "The Exoneration of the Atom. Yet Another Attempt"]

[Text] If you remember correctly, the first attempt was made by the Supreme Council, which, contrary to logic and common sense, called off its own moratorium on the construction of atomic units and canceled its own decree on closing down the Chernobyl Atomic Plant.

The Chernobyl Atomic Electric Power Plant [AES], named after V.I. Lenin, lives and... I nearly said... "prospers." The situation is, of course, far from prosperity, as it also is from closing down. I became convinced of that last Friday [27 May], during the visit to the Chernobyl AES by Ukrainian President Leonid Kravchuk. I have no doubt presidents do not frequently visit such facilities, and when they do, it is not for mere trifles.

What led Leonid Makarovych to the Chernobyl Plant? In order to rule out various interpretations of the trip's objective, the radio and television efficiently informed the public and conveyed the president's ideas on the prospects of atomic power engineering in Ukraine and did so, so to speak, close to the text. In turn, the public response came quickly. The next day, I overheard the following conversation on crowded Kiev bus number 16:

"Did you hear what Kravchuk said? No one intends to close down Chernobyl. On the contrary, new units will be commissioned."

"Maybe they will even start the fourth unit?"

"Who knows? He says that Ukraine will plunge into an energy crisis without Chernobyl."

"An energy crisis is better than yet another Chernobyl. I wish we could survive that one."

Indeed, at the meeting with representatives of labor collectives and trade union leaders of the Chernobyl AES, the Ukrainian president stated that it is still early for us to dismiss the Chernobyl AES and generally too early to write off atomic power engineering. That is why the concept of the Program for the Development of Atomic Power Engineering in Ukraine had already been elaborated. One can expect that the program also takes into account the Chernobyl AES. At any rate, Leonid Makarovych [Kravchuk] repeated several times that no one was going to close it down. It is another matter that the world community wants this very much, but if it really wants this very much, it must loosen its purse strings and pay... $14 billion.

Despite such a statement, the Ukrainian president gave more arguments in favor of continuing the operation of the Chernobyl AES. However, I personally did not find them convincing. Take, for example, the following argument: The whole Europe abounds in atomic plants. Or: In terms of some safety parameters, the Chernobyl AES is in a much better shape than other similar plants, and so on. Who knows better than Ukraine how safe the Chernobyl AES is. However, it appears that the president himself was not quite sure of the validity of his words—in particular, those that concerned safety, but he was compelled to defend the position of the so-called atomic lobby. The atomic lobby knows what it is defending.

It must be said that, as soon as the correspondents' pickup crossed the border of the exclusion zone, representatives of that lobby immediately got down to work. The correspondents were actively persuaded that it is damaging to close down the Chernobyl AES and that it is safe. One would think we were not going to the atomic plant known to the world by the catastrophe but to a Black Sea resort place. Just eight years have passed since the accident! Eight! Have we forgotten everything?

At the plant, the correspondents were in for a small surprise. The program for the president's stay at the Chernobyl AES has envisaged a visit to the premises of the Central Control Board. They say it is located right above the reactor. A historic moment was planned there—the president poses before photographers over the reactor, something that might symbolize its perfect safety. While the entire team of correspondents climbed to point 35 and prepared the equipment for the sensational shot, it turned out that certain changes had been made in the program. In short, the president did not rise to point 35, and so the historical and sensational shot was not made. Instead, my colleagues took as many photographs as they wanted in Slavutych, where Leonid Makarovych went to personally meet with residents of the town of power engineers. There, Leonid Makarovych repeated what he said in Chernobyl and added that the residents of Slavutych should not worry about their future, meaning that they will not remain without work. I do not know whether the Slavutych residents are pleased with such prospects, but I am convinced that the majority of the Ukrainian population will not be enthusiastic about it.

The exoneration of atomic power engineering is a thankless and dangerous deed, all the more so since the people still experience the bitter aftertaste. It is really necessary to hurry up?

## Deputy Defense Minister Views Situation in Armed Forces

*AU0106130094 Ivano-Frankivsk HALYCHYNA in Ukrainian 21 May 94 p 2*

[Ihor Nykorovych report on interview with Ukrainian Deputy Defense Minister Ivan Bizhan with unidentified correspondents: "The Deputy Minister Is Pleased With the State of Affairs in Our Troops"]

[Text] We have already reported that a large group of officers from the Defense Ministry headed by Deputy Minister of Defense Colonel General Ivan Bizhan visited our oblast on an inspection mission. After the commission finished its work, the colonel general, as he had promised, met with representatives of the local mass media. The new commander of the Ciscarpathian Military District, Colonel General Petro Shulyak, and the commander of the formation, Major General Anatoliy Kalashnykov were also present at the news conference.

The deputy minister pointed out that it was the first time that such an inspection was conducted in the Ukrainian Armed Forces. It so happened that the inspection started precisely with the formation whose headquarters is situated in our oblast. The goal of the inspection was to see the actual state of combat readiness of our troops.

According to Colonel General I. Bizhan, proper attention is being given to combat training in the formation. The units are ready to fulfill their tasks, although things are not in perfect order everywhere. However, there are objective reasons for that. For example, this year, the funds allocated for combat training were quite limited. It is, therefore, difficult to expect good results from those servicemen, who, for example, could not take the complete course of training due to the shortage of fuel. At the same time, there are commanders who, on the pretext of difficulties, do not do their work at all. Consequently, organizational measures will also be taken based on the results of the inspection.

The deputy minister pointed out that he was very familiar with our formation and that, after new commander Major General A. Kalashnykov took over, the situation in the troops changed for the better. There is every reason to believe that the shortcomings revealed by the inspection will be eliminated.

Then Colonel General I. Bizhan answered the following questions by journalists.

[Question] How do the Ukrainian Armed Forces compare to armies of other states, for example, Russia?

[Bizhan] I wouldn't say that the Ukrainian Armed Forces are trained worse than the Russian ones. Just two years ago, they were within the same army. Nor are there, so far, any problems with up-to-date weapons or military technology. However, I am concerned about the future. We do not have funds for developing new types of weapons or technology. That is why, in about five to 10 years, the Ukrainian Army may find itself in quite a difficult situation.

[Question] At present, the question of creating some independent armed forces is being raised in the Crimea. What is your attitude toward this? What is, in general, your attitude toward the problem of the [Crimean] peninsula?

[Bizhan] Both we and leaders of other states, in particular, the United States and Russia, regard the Crimea as a constituent part of our state. After all, this question is political rather than military, and armed forces must an external party. At the same time, we take into account the situation in the Crimea and the way in which it may change. The creation of any militarized formations there is at variance with the laws of our state. Well, this is, so far, at the level of talk and plans. However, we are alarmed by the fact that these ideas are voiced by Crimean leaders. That is why, if they start doing anything for the implementation of those ideas, I think that it will also be necessary to take practical measures to counter their activities.

[Question] What specific assistance could our oblast render to the units of the formation stationed on its territory?

[Bizhan] The shortage of housing is one of the most painful problems of the Ukrainian Armed Forces. More than 80,000 of Ukraine's officers and warrant officers have no apartments. Military construction bodies would be able to build housing, but the lack of funds prevents them from doing that. I know that other people are also confronted by this problem, but if we could get local help in this question, the army would greatly appreciate it.

## Communists Assail Opponents, Call for Peace, Harmony

*AU0106201594 Kiev HOLOS UKRAYINY in Ukrainian 24 May 94 p 2*

["Statement by the Communist Faction 'For Social Justice and Sovereignty of the People'"]

[Text] The very name of our deputies group indicates that we are consistently fulfilling the will of the voters and our election programs.

During this critical period marked by the collapse of the economy and financial system, the impoverishment of the working people, the wild outburst of organized crime, and the manifestations of separatism that threaten the very existence of our state and realizing the whole burden of responsibility for the fate of Ukraine, we Communists called upon all factions of the Supreme Council to constructively cooperate in order to extricate the state from the impasse.

As the most numerous deputies group in the parliament, we have a moral right to claim the highest posts in the

parliament. However, in order to avoid bitter confrontations in the struggle for the seats and to proceed, as soon as possible, to resolving painful economic jumbles, the Communists have not become preoccupied with their party ambitions. They acted in an optimal manner, something that is attested to by the quite concerted election of the Supreme Council chairman.

Quite naturally, we also expected mutual understanding from our opponents. However, as early as on 19 May, when the question of electing first deputy chairman of the Supreme Council was discussed, the right-wing forces declared that their representative alone had to become first deputy chairman. Even without starting a normal parliamentary discussion, they disrupted the work of the session. Having applied known methods of the old parliament, they simply failed to register, having thereby disrupted the normal work. They are those same people who sowed dissent in the preceding Supreme Council.

Voters must know the names of those deputies for whom power, and not the state, is all that matters.

Particularly alarming is the fact that some representatives of the "power party" and power structures have united with national extremists. Using their official position, they resort to putting pressure upon the left-wing forces.

Almost all mass media have taken their side and are assailing the left-wing forces in an organized manner. They employ well-tested methods of juggling with facts, which is also attested to by today's statements by the groups "Statehood" [Derzhavnist] and "Center" [Tsentr].

The most dangerous thing is the fact that this assault by the right-wing forces is taking place in the context of Crimean events, which have recently become particularly exacerbated. In this connection, the communist faction calls upon its supporters in the Crimea to do everything possible in order that peace and harmony would prevail on the peninsula for the benefit of all of Ukraine's peoples.

We state unequivocally that those forces that are presently disrupting the work of the parliament are supporting the cause of separatism.

Standing up, firmly and consistently, for the interests of the voters, we will do everything we can in order to achieve peace and harmony in our society. However, the public must also know about those who oppose this. That is why we reserve the right to efficiently inform the voters about the events in the parliament.

## General Orders Cossacks 'To Be Ready To Defend' State

*AU0106114494 Kiev MOLOD UKRAYINY in Ukrainian 31 May 94 p 1*

[Report by Volodymyr Prytula, MOLOD UKRAYINY special correspondent: "Cossacks Have Arrived!"]

[Text] Last Saturday [28 May], the so-called "Great Cossack Assembly" with the participation of leaders of the Ukrainian and Russian cossackdom was to be held in Simferopol. However, in all likelihood, the organizers of the action had a purely political goal—to help local separatists. That is why nothing came out of the "Great Assembly." Representatives of the majority of Russia's cossack regions did not arrive at the assembly. Ukrainian cossacks stated their protest to organizers of the provocation. Hetman [cossack leader] of the Ukrainian Zaporizhzhya cossackdom General V. Mulyava qualified the holding of the "assembly" as interference into the internal affairs of our state. Regional organizations of the Ukrainian cossackdom received a telegram signed by Hetman Mulyava ordering them to be ready to defend Ukraine's territorial integrity. The make-believe cossack conference concluded with the report from Simferopol's Kievskiy Rayon Department of Internal Affairs: In the "Moskva" hotel, a group of "cossacks" raped a woman, who was also staying at that hotel....

## UNA-UNSO Accuses Chornovil of Promoting 'Fascism'

*AU0206082494 Kiev UKRAYINSKI OBRIYI in Ukrainian No. 9 (40) May 94 p 1*

["Epistle by the Anti-Fascist Committee of the Ukrainian Nationalist Assembly"; date not given]

[Text] The alliance of the left- and right-wing forces within the Supreme Council of new convocation against the people has opened up the road toward political fascism in Ukraine. As has always been in history, irresponsible liberal-bourgeois political intriguers are the motive force for the political fascistization of Ukrainian society. Mr. Chornovil's political blocs in the Supreme Council are nothing more than an attempt to reduce the pro-fascist factors of various denominations to a common denominator. The comprador-like Ukrainian bourgeoise and its master—transnational capital—have sensed a threat to their own existence. Hence the hysterical appeals to "law" and "force" that both the "left-" and "right-wing" to which candidates are resorting.

The fascistization of Ukrainian society proceeds to the accompaniment of the loud cacophony of the bourgeois mass media. The self-styled "political scientists" and "analysts" deliberately misinform the audience on the situation in the country. The only difference between their views lies in the fact that some of them do this to their own advantage and ambitions, while others do this to satisfy the social demands of a certain class. Through the efforts of the Ukrainian press and television, reality

has been transformed into a distorting mirror. They even went so far as to declare the UNA-UNSO [Ukrainian Nationalist Assembly-Ukrainian National Self- Defense] a "pro-fascist organization." Some people believe this!

Some people believe because alongside the political fascistization of Ukraine, a cultural one is taking place—something that is bringing about a fascistization of society at a social level. Editorials of Ukraine's leading bourgeois newspaper, which claims to be liberally unblemished, consist of dirt: slander against the UNA-UNSO as a basis for political disinformation, corruption of spiritual values by criminal chronicles, and the cultural ersatz of provincial banality.

Is it anything but the ideal of "total mediocrity"—the goal of fascism in culture?

Direct agents of foreign forces in the person of various left-wing, right-wing, and "ethnic" radicals are playing a provocative role in the fascistization of Ukrainian society.

The political phraseology of the Ukrainian "eternal past" figures betrays their master. The liberation movement of Russian Slavs could be destroyed by the simple trick with internationalism ["mondalizm"] and was driven underground. This recipe is now being implemented in Ukraine.

Beware of Gallic coachmen bringing the gifts of the Danaans. People, the UNA-UNSO loves you. Take care!

## Western Credits Enable Purchase of Crude Oil

*AU0106113894 Kiev URYADOVYY KURYER in Ukrainian 31 May 94 p 3*

[Report by UKRINFORM correspondent Mykhaylo Kolomiyets: "Ukraine Is Concluding the Most Advantageous Oil Agreement in Its History"]

[Text] As became known to the UKRINFORM correspondent from reliable sources, Ukraine's acting Prime Minister Yukhym Zvyahilskyy had reached an agreement with Western investors on granting Ukraine an interest-free credit for purchasing crude oil.

Thus, it has become possible to purchase 12 million tonnes of crude oil, mainly from Russia, at $60 per tonne.

This is the lowest price at which Ukraine has ever managed to import oil after the prices of energy sources within the former USSR were raised to those prevailing in the world. Petroleum products from this oil will, primarily, be channeled for satisfying the needs of the country's agriculture. Owing to this contract, the problem of fuel for agricultural needs has largely been resolved. This will make it possible to conduct the entire necessary cycle of agricultural work in full and in good time.

## Deputies Demand Accreditation of Ostankino Reporters

*LD0106154394 Moscow Ostankino Television First Channel Network in Russian 1400 GMT 1 Jun 94*

[From the "Novosti" newscast]

[Text] A report from Kiev: 50 Ukrainian members of parliament today demanded that accreditation should be restored to the correspondents of the Ostankino TV company in Donetsk, Odessa, and Kharkov.

According to a statement issued by the deputies, the Ukrainian Foreign Ministry's 26 May decision which is in the spirit of the Cold War, should be scrutinized by the Commission for Legal Safeguards for Freedom of Speech and the mass media, INTERFAX reports.

## Belarus

### Kebich Outlines Presidential Election Campaign Policy

*LD0106122594 Moscow INTERFAX in English 1012 GMT 1 Jun 94*

[Text] If elected as the first Belarusian president, present Belarusian Premier Vyacheslav Kebich will undertake urgent measures in order to stop the run-away growth in prices and carry out wide-scale actions to fight crime.

The presidential elections in Belarus will take place on 23 June. A total of six candidates for presidency have been officially registered, including Kebich, Belarusian parliament's ex-speaker Stanislav Shushkevich, the Belarusian opposition People's Front leader Zenon Poznyak and Communist leader Vasili Novikov.

Kebich said in an exclusive interview with INTERFAX that, if elected the president, he would carry out the agreement on the merging of the Russian and Belarusian monetary systems. Kebich is considered one of the most likely winners of the presidential race.

However, he emphasized that the budgets of the two countries would not be merged. Kebich said that only two budget items would be coordinated—the deficit and the amount of money issued.

Speaking about his contenders, Kebich feared that Zenon Poznyak might win the presidential elections. Kebich suggested that if Poznyak be elected, Belarus would face war, bloodshed and elimination of human rights and liberties.

He added that if the People's Front won the elections, this would mean a catastrophe for the whole Belarusian people. Kebich confirmed his suggestion by referring to the recent statement by Poznyak in the media. Poznyak had put forward territorial claims to Russia, Lithuania and Poland. Kebich said this was a dangerous policy which would lead to bloodshed.

### Hryb on Economic Situation, Upcoming Elections

*WS0106142894 Minsk ZVYAZDA in Belarusian 28 May 94 pp 1,2*

[Phone-in interview with Supreme Soviet Chairman Myacheslaw Hryb by ZVYAZDA readers: "Our Diligent and Hard-Working People Should Not Live Poor Lives"]

[Excerpts] [Reader from Minsk] One often reads and hears that Belarus owes large sums to foreign states in the near and far abroad, and that we are living at the expense of our children. What is the actual state of things? Official data are not published anywhere.

[Hryb] According to Finance Minister Yanchuk, the foreign debt of Belarus, excluding interest, amounted to $1022.2 million as of 1 April 1994. Taking into account interest, our debt reaches $1288.5 million. The Supreme Soviet adopted a resolution on 26 February 1994, determining the ceiling of the debt at $2 billion. Aside from this, the issue of mutual debts among former Soviet republics remains unresolved. According to National Bank estimates, other republics owe us 25830.1 million Belarusian rubles. However, these issues have not been confirmed by appropriate commitments. Is this a lot or a little? The world practice uses the system of foreign debt evaluation. Its primary characteristic is the correlation between the sum of the foreign debt, the GNP, and yearly export revenues. When correlation between foreign debt and the GNP amounts to 50 percent, the situation is believed to be critical. If our foreign debt reached $2 billion, this figure would still be 29 percent, while in Bulgaria it is 111, in Poland 54, in Hungary 65, and in Turkey 51 percent respectively. If we compare the correlation between our foreign debt and export revenues, where 257 percent is considered to be the critical figure, it is currently only 37 percent, while in Bulgaria it is 203, in Hungary—157, in Poland—301, and in Turkey—193 percent respectively. Thus, the facts testify to the contrary.[passage omitted]

[Reader from Minsk] Do you think that the dismissal of former Ministers Uladzimir Yahoraw and Eduard Shirkowski was just? If this is not a secret, how did you personally vote?

[Hryb] The decision to dismiss those two ministers was made by the Supreme Soviet and not me personally. However both violated the laws of the Republic of Belarus on the procedure of detaining foreign citizens on our territory and extraditing foreign and Belarusian citizens. This had been done many times. We had warned the ministers but the latter did not draw any conclusions. Thus they received what they deserved. [passage omitted]

[Reader from Vitebsk] As the Supreme Soviet chairman, do you consider yourself the guarantor of the observance of the Belarusian Constitution? Why were certain articles of the Constitution violated when the treaty on the unification of Belarusian and Russian monetary systems was being signed? Why did the Supreme Soviet and the Council of Ministers remain silent? Why has Kebich not yet been sued?

[Hryb] As the Supreme Soviet chairman I have done everything in my power to guarantee the protection and observance of the basic law of Belarus. The Supreme Soviet did not discuss the issue of the unification; it was not on the agenda. The agreement can become valid only following a ratification by the legislature. The Belarusian Prosecutor's Office has investigated whether the prime minister violated the Belarusian Constitution while signing the agreement. The case was closed because of a lack of corpus delicti.[passage omitted]

[Reader from Minsk] Whom will we be electing—a president or a governor general? After we have surrendered our National Bank and currency to Moscow, we will surrender our sovereignty too. This is evident. My

second question is: Where does Kebich take money for all kinds of compensations, allowances, and the like? Who is financing his electoral campaign?

[Hryb] The Supreme Soviet and I have already stated that we do not promote any of the candidates. It is each person's personal business for whom to vote. On the other hand, the money earmarked for the electoral campaign was equally divided among the candidates. In the event of any embezzlements, the Central Electoral Commission will sort things out.[passage omitted]

[Reader from Minsk] I am worried and even enraged with the way signatures in support of Kebich were collected. Collective farm managers, village soviet chairmen, and all other empowered people scared people into signing the lists. Can these facts be investigated and those guilty punished? I am afraid that this may continue during the course of the elections—there might be all kinds of fraud, pressure, or even unregistered ballot-boxes....

[Hryb] We have requested that Central Electoral Commission Chairman A. Abramovich investigate these facts.[passage omitted]

### Defense Minister on Participation in Partnership for Peace

*LD0106121794 Minsk Belarusian Foreign Ministry Department of Information in Russian 0621 GMT 1 Jun 94*

[Text] Pavel Kazlowski, defense minister of the Republic of Belarus, held a news conference on the results of the work of the annual session of the NATO council, in which a Belarusian military delegation took part. According to Pavel Kazlowski, considering the international situation, Belarus will apparently have to take part in the Partnership for Peace program, as has been done by the historically neutral countries of Finland and Sweden.

## Moldova

### Official Condemns State of Emergency in Dniester

*LD0106144394 Moscow ITAR-TASS in English 1345 GMT 1 Jun 94*

[Report by ITAR-TASS correspondent Valeriy Demidetskiy]

[Text] Kishinev [Chisinau] June 1 TASS—"By prolonging the state of emergency in the Dniester area, the Tiraspol leaders have grossly violated the agreement on the peaceful settlement of the Dniester conflict, signed by the presidents of Russia and Moldavia [Moldova]," co-chairman of the Joint Control Commission for promoting stability in the conflict area, First Deputy Interior Minister of Moldavia Viktor Katane said here today.

As earlier reported, president of the unrecognised Dniester republic Igor Smirnov has decreed to prolong the state of emergency on the left-hand bank of the Dniester beginning from June 1. The state of emergency was announced on January 18 to prevent the holding of pre-term elections to the Moldavian parliament in the Dniester area.

According to Katane, the state of emergency envisages the toughening of the border regime by the self-styled Dniester republic and deployment of additional paramilitary units within the safety zone. He described as far-fetched the arguments of the Tiraspol authorities that the state of emergency was necessary to combat crime in the region.

### Turkey's Demirel Pledges 'Broad Assistance'

*LD0106185094 Moscow ITAR-TASS in English 1735 GMT 1 Jun 94*

[Report by ITAR-TASS correspondent Valeriy Demidetsky]

[Text] Kishinev [Chisinau] 1 June TASS—Turkey is interested in Moldavia's [Moldova's] prosperity and territorial integrity and is ready to provide it with broad assistance, visiting Turkish President Suleyman Demirel said.

In his address to the Moldavian Parliament on Wednesday, Demirel said that Turkish business circles are ready to invest in Moldavia's economy, especially its southern areas inhabited mostly by the Gagauz, Turkish-speaking minority. At the same time he stressed that the Gagauz must respect the territorial integrity of Moldavia.

Demirel called for granting Gagauz areas special legal status. He pointed out that Turkey's interest in the Gagauz should be viewed as a sign of the big importance it attaches to territorial integrity, peace and economic and social development of Moldavia. The Gagauz people must become a bridge of friendship and cooperation, which will help in strengthening ties between the two nations, he said.

Speaking about prospects for setting up an economic union of the Black Sea countries, the Turkish president said such a union would provide a new scheme of economic relations in the world.

Demirel is in Kishinev on a three-day official visit. During the visit, the sides will sign a treaty of friendship and cooperation and discuss Turkish investments in the Moldavian economy.

### Snegur Welcomes Turkish Assistance

*LD0106175194 Moscow ITAR-TASS in English 1641 GMT 1 Jun 94*

[Text] Chisinau 1 June TASS—Moldavian [Moldovan] President Mircea Snegur welcomed on Wednesday

Turkish President Suleyman Demirel's pledge of assistance to the Gagauz, a Turkish-speaking minority in Moldavia.

Snegur stressed that the Gagauz have broad rights in the republic. There are 49 Gagauz schools, a college and a university in areas predominantly inhabited by the Gagauz. There are also Gagauz radio and television programmes in Moldavia.

However, he pointed out that these areas need economic assistance to support economic reform, which, he said, have become irreversible.

Demirel confirmed during his talks with Snegur earlier today that Turkey is ready to provide economic and other assistance to the Gagauz people and help Moldavia sell its products in the world market.

Speaking about prospects for setting up an economic union of the Black Sea countries, the Turkish president said such a union would provide a new scheme of economic relations in the world.

Snegur praised Turkey for support, saying it was one of the first to have recognised Moldavia's independence and called for broader economic ties between the two countries.

"The treaty of friendship and cooperation which is being prepared now will give a new impetus to cooperation between our countries," he said.

### Advance Payments Needed for Russian Gas

*LD0106200894 Moscow ITAR-TASS in English 1857 GMT 1 Jun 94*

[Report by ITAR-TASS correspondent Valeriy Demidetskiy]

[Text] Chisinau 1 June TASS—Russia said on Wednesday [1 June] that from now on it will supply gas to Moldavia [Moldova] only on the basis of advance payments.

The decision announced by Russia's gas supplying concern Gazprom followed Moldavia's failure to pay for earlier gas supplies.

Moldavian gas industry head Boris Karandyuk said that Moldavia's debt to Russia is estimated at 257 billion roubles. About 107 billion roubles of that sum is owed by the break-away Dniester republic which is seeking economic and political independence from Moldavia.

About 70 per cent of the debt belongs to the Moldovenergo Association which supplies the republic with electricity and heat.

Karandyuk said that Moldavia has so far paid only 40 billion roubles and is ready to send a large shipment of food and industrial products worth 16 billion roubles to pay part of the remaining sum.

"We are seeking ways to pay the debt and intend to resort to foreign credits," Karandyuk said.

## Kazakhstan

### Scheduled Supreme Council Session Not Held

*LD0106161494*

[Editorial Report] Moscow Mayak Radio Network in Russian at 1243 GMT on 1 June carries a three-minute telephone link-up with Almaty correspondent Viktor Glukhovtsev.

Glukhovtsev notes that the Kazakhstan Supreme Council session scheduled for today did not take place and continues:

"This was a surprise, of course. Usually, the Supreme Council has worked to schedule and met its timetable in a more or less accurate way. And so, going through through the floors of the massive building and knocking on the doors of the offices where the deputies have settled, I ask the same question: Why?

"The answers are most abstract, basically a shrugging of the shoulders and opaque hints about this having been prompted by the Supreme Council's statement in which deputies voiced no confidence in the social, economic and legal policy of the government.

"One can't speak briefly about the origins of this document. I will note only that there has been a drastic fall in production in the republic; there is a precipitous fall in the rate of exchange of the national currency, and, as a result acute impoverishment of the population. And it is for this reason that the Supreme Council is giving an unambigously negative assessment of the present results of the actions of the Council of Ministers which is presented with the serious accusation that the government is essentially blocking its declared course toward a market economy.

"In the view of the Supreme Soviet, this has led to economic chaos and in such a situation it isn't difficult to understand this reaction of the legislators. They saw, as the only way of avoiding a paralysis of power, a dialogue between all its branches in order to establish a national program of reforms and to form a government capable of fulfilling it. That's what's going on.

"It's clear that a response from the president, who is the legal head of the executive authority and government in the republic, should follow such a statement. So far there has been no such response, and I think that it is for this reason that the plenary session never took place today.

"Incidentally, in the office of one of the deputies I received, on what we shall call a confidential basis, confirmation of this conclusion.

"Today, a document has today is being circulated amongst the deputies on behalf of a number of deputies' groups and factions which says, I quote: After the adoption of the statement, the coordinating council at its meeting, in violation of the provisional statute, postponed the next plenary session, allegedly on the grounds of its lack of preparation. We consider this to be an attempt to repudiate the businesslike spirit of the statement and to turn it into an empty, non-binding declaration. And it appears that the hope has not been lost to turn the Supreme Council into an obedient tool of executive authority and into an administrative and legal department attached to the cabinet of ministers and the president. End quote."

### Foreign Minister Receives U.S. Senators

*LD0106170994 Almaty Kazakh Radio Network in Kazakh 1400 GMT 1 Jun 94*

[Text] Today, Foreign Minister Kanat Saudabayev received U.S. Senators Arlen Specter and Robert Bennett who are currently on a visit to Almaty. They exchanged opinions on Kazakh-U.S. political, trade, and economic relations. The U.S. side, in particular, expressed interest in progress of privatization in the republic and its peculiarities as well as problems related to it. Kanat Saudabayev told the guests about the denationalization of state industrial enterprises which is in progress. He said that the biggest U.S. investments are being made in the Almaty tobacco factory and the Shymkent confectionery factory. The minister stressed that this testifies to the fact that the republic has serious intentions for the market economy.

They also touched upon the multifaceted relations with Kazakhstan's closest neighbor, Russia, and Kazakhstan's cooperation with it. The senators handed Kanat Saudabayev a personal letter from U.S. Secretary of State Warren Christopher congratulating Saudabayev on his appointment as foreign minister.

### Parliament Criticism of Government Reflects 'Power Crisis'

*PM0106143994 Moscow IZVESTIYA in Russian 1 Jun 94 p 2*

[Vladimir Ardayev report: "Kazakhstan: Power Crisis"]

[Text] Alma-Ata [Almaty]—The Supreme Council of Kazakhstan has issued a statement containing its assessment of the activity of the republic government.

The statement notes that the government, while declaring a market-economy course, is essentially blocking it, which has resulted in economic chaos in Kazakhstan. The government, the statement says, has been unable to draw up a national reform program which could serve as the basis for the consolidation of society, given which the Supreme Council "is forced to express its lack of confidence in the government's socioeconomic and legal policy."

Parliament proposes "constructive dialogue among all the branches of power and social and political forces to create a national reform program and form a government capable of carrying it out" as the sole way to avoid total paralysis of power. Until such a program is adopted

the Supreme Council intends to concentrate its attention on a number of issues, examination of the presidential edicts adopted in the absence of the legislative organ topping that list. Moreover, parliament has stated that it intends, first, to take a number of economic measures to give strong support to manufacturers; second, it intends to limit legislatively the executive branch's powers as regards the management of state property; and, third, it intends to extend the autonomy of enterprises in all kinds of ownership.

The statement issued at the start of the week has had a very mixed reaction. However, at a special press conference, deputy head of parliament Marat Ospanov assured journalists that the statement it in no way implies measures to dismiss the cabinet forthwith or any cadre changes in government, as this is the prerogative of the head of state.

President Nazarbayev's reaction to the parliamentary statement was "calm and considered," particularly as a lot in the statement coincides with his own stance.

As far as the cabinet itself is concerned, its press service has issued a statement which accuses parliament of being unconstitutional—the government is responsible to the president alone—and unconstructive.

Parliament's haste is, presumably, due to some extent to public opinion's dissatisfaction with parliament itself, whose activity (or, more accurately, its inactivity) has caused a good deal of censure in the Kazakhstan press since the middle of April. Nevertheless, the situation does reflect very accurately the power crisis in Kazakhstan, where the president, who has shouldered a heavy legislative burden, is unable to keep the cabinet's activity under complete control, and the government is unable to withstand the crisis, which is becoming increasingly irreversible and unmanageable in nature, while parliament simply does not know where to start and therefore starts by criticising the government.

### Oil Cooperation Agreement Signed With Turkey

*LD0106171294 Almaty Kazakh Radio Network in Kazakh 1400 GMT 1 Jun 94*

[Excerpts] Kazakhstan and Turkey concluded an agreement in Ankara on cooperation in the field of recovery, refining, haulage and selling of Kazakh oil. [passage omitted] In line with the agreement, a joint Kazakh-Turkish company will begin work in August-September this year at a deposit in the west of the republic. [passage omitted]

Speaking at the ceremony of signing the agreement, Syzdyk Abishev said that the government of Kazakhstan understands Ankara's anxiety regarding the transportation of oil via the Black Sea. He expressed confidence that this problem can be tackled if the interested parties are involved. Abishev stressed that Kazakhstan and Turkey have concluded about 60 agreements, and most of them are at the stage of implementation. Over 150 Turkish companies are working in the republic now, and several joint banks have been set up. Turkey granted Kazakhstan a loan worth $200 million. This money is used for construction of a five-star hotel, a textile factory, a tannery, and other projects.

### Rapid Increases in Prices of Basic Goods

*LD0106164394 Almaty Kazakh Radio Network in Kazakh 1400 GMT 1 Jun 94*

[Text] Kazakhstanis cannot get used to quickly changing prices for food, basic goods, and services. In mid-May prices for fuel have been increased very steeply, and this step was explained by objective necessities. For instance, for oil products the price has doubled, for electricity it has increased by a factor of 2.8; for heating by 3.3 times; for gas by 3.6 times; and for rail haulage by 5 times.

As a KAZTAG correspondent was told at the Ministry of Economy pricing committee, this has automatically affected costs and prices for other products.

In late May, prices for dairy and meat products doubled, and as of 1 June prices increased for sugar, alcoholic drinks, and light industry goods. The city administration has confirmed that fares for public transportation in Almaty will double shortly. Prices for bread, rolls, and some varieties of pulses and combined fodder remain steady. One kilogram of beef in Almaty state shops costs about 45 tenge; pork 51 tenge; chicken 50 tenge; butter 69 tenge; and sugar 47 tenge, which is by 2.5 times more than three weeks ago; a half-liter bottle of Pshenichnaya vodka costs 73 tenge as of 1 June, which is also almost 2.5 times more expensive than it was yesterday; a bottle of three-star cognak is 83 tenge; of champagne 81 tenge.

This is not the limit, of course. According to the specialists of the pricing committee, prices for food will again increase by 20-25 percent shortly. It means our living standard will fall again, and more people will find themselves below the poverty level. One question remained unanswered— when will wages be increased again, and when will the national currency finally stop falling?

## Kyrgyzstan

### Akayev Signs Partnership for Peace Document

*LD0106144994 Moscow ITAR-TASS in English 1358 GMT 1 Jun 94*

[Report by ITAR-TASS correspondent Aleksandr Mineyev]

[Text] Brussels June 1 TASS—Kyrgyzstan is now the 12th state and the third Central Asian republic to join the "Partnership for Peace" programme. The framework document was signed on Wednesday at the NATO headquarters here by Kyrgyz President Askar Akayev, who is currently paying an official visit to Belgium at the head of a Kyrgyz state delegation.

Taking the floor during the signing ceremomy, Akayev noted that the world was no longer divided into opposite blocs, but the process of the Soviet Union's disintegration proved to be painful; it is accompanied by conflicts and crises in the economic and other spheres of public life.

"This is why Kyrgyzstan is turning its attention to international unions, set up by the civilised mankind—the United Nations, the CSCE, the NATO, etc. It shares the idea of partnership as an expression of its conviction that the stability and security of every country can be ensured only through joint actions," Akayev stated. The president reaffirmed the adherence of his country to the principles of freedom and democracy, stressing that liberty and human rights were at the bedrock of Kyrgyz state policy.

"But the road of democratic and market reforms proved longer and more difficult than initially anticipated. Exploiting the difficulties of the country, the communists, nationalists and other conservative forces are endeavouring to turn back its development. The crisis can be overcome only in conditions of a strong democratic state and through cooperation with the international community," he stated. The president specially stressed America's huge role in the support given to the independent Kyrgyzstan.

Acting NATO Secretary-General Sergio Balancino noted the alliance's readiness to cooperate with Kyrgyzstan in many areas, beginning with peace-making operations and ending with the creation of democratically controlled armed forces. He noted Akayev's role and efforts to implement democratic reforms, to promote the freedom of speech, and to guarantee the rights of all the citizens of the country and of its national minorities.

## Akayev on Relations With EU, China

*BR0106144894 Brussels LE SOIR in French 1 Jun 94 p 2*

[Interview with Kyrgyzstan's President Askar Akayev by Eric Meyer in Bishkek; date not given: "On the Democratization of Kyrgyzstan]

[Text] [Meyer] This week, you are making a tour of Europe. Of the five republics of former Soviet Central Asia, Kyrgyzstan is considered to be the most democratic: Is this reputation deserved?

[Akayev] It is well deserved. All our efforts are concentrated on achieving this. Kyrgyzstan is founded on the rule of law and is on the road to democracy. It is also true that our process of democratization is proceeding at a faster pace than in other countries in Central Asia. We have more political parties than in France, and when it comes to freedom of the press, the Kyrgyzstan's president is criticized more than President Mitterrand!

[Meyer] Why?

[Akayev] I see three reasons. First, our democratic traditions. We have always been the nomads of Central Asia, a lifestyle which favors democracy. For example, our traditional seat of power, the Council of Judges (Boloush) is elected. The Kyrgyz are a very ancient people, older than the Kazakhs. We can be traced back, in ancient Chinese texts, to as early as the second century.

Another reason is our multi-ethnic structure: One Kyrgyz in four is European, German, Russian, or another Slav. Finally, our country has always been open to the outside world (except during the Soviet era: editor's note). The Silk Road passed through our land, which allowed us to assimilate traditions of both the West and the East, and allowed us to quickly adapt to a market economy; we are culturally prepared!

[Meyer] Why do people here so often hold up Switzerland as a model of development for Kyrgyzstan?

[Akayev] In terms of state structure, we are closer to the French model. Our Constitution reflects the French Constitution, in terms of the separation of powers between the president, the prime minister, parliament, and prefects. Our fascination with Switzerland relates to something else. Kyrgyzstan is like the reflection of Switzerland in Central Asia. We also live in high mountains, the Ala-Too chain. Lake Geneva is like our Lake Issyk Kul. Another similarity is that both our peoples consist of three principal ethnic groups. With its French-speaking, German-speaking, and Italian-speaking cantons, Switzerland has been able to create a confederation. We have 80 ethnic groups, but with three major ones: Kyrgyz, Russians, and Uzbeks. Our journalists like to taunt me when I say that Kyrgyzstan will become the Switzerland of Central Asia: How, they think, can we compare ourselves to this "little giant" with its high tech industry and advanced social system? My answer: By building a state founded on the rule of law!

[Meyer] What do you expect from Europe and what can Kyrgyzstan offer Europe in return?

[Akayev] I expect a great deal! We already have links with Europe, with Switzerland and Germany for example, but they are still fragile. We are the only country in the CIS to have made the change to a market economy according to the criteria of the IMF and the World Bank. We are now embarking upon the renovation of economic structures, which requires investment and technology transfer. Europe has both of these. I am seeking to stimulate the interest of your private investors in the reconstruction and conversion of our industries. In return, we can offer preferential terms for mining rare metals and raw materials used in the new technologies and the strategic field. We also have a natural environment which is perfect for the development of green tourism.

[Meyer] You are a scientist by training, rather than a career politician; does this background lead you to adopt a different approach to your presidency?

[Akayev] You know Napoleon, when he wanted to reward his mathematics teacher, Laplace, he made him interior minister. Shortly afterwards, as Laplace was constantly bothering him with one little problem after another, the emperor decorated him, at the same time sending him packing to continue his beloved studies. I never use my scientific methods in politics. I prefer to use the experience of previous great politicians whose memoirs I read, such as de Gaulle, or Eisenhower. The other day when I was in Moscow at the theater for a performance of "Fouche and Talleyrand," a very popular play at the moment, I said to myself: "I need ministers like that." When he got up in the morning, Fouche knew everything which had happened during the night, even in the Emperor's chamber. But my interior minister does not even know what is happening inside his ministry. My finance minister is unable to collect more than 35 percent or 40 percent of the taxes. Fouche collected 200 percent, and without annoying anybody! After the Great Depression, Roosevelt, who was advised to form a government of scientists, replied: "Scientists are like sugar in your coffee. If there are too many, it's undrinkable!" So I try to develop realpolitik.

**We Are Trying To Curb Russian Emigration**

[Meyer] Is there a risk of ethnic rifts in Kyrgyzstan?

[Akayev] This problem is arising throughout Central Asia. Our large Russian minorities are emigrating. It is a natural process. France and Great Britain experienced the same thing in the 1950's and 1960's, and the return of the Algerian-born Frenchmen could have had serious consequences in France if there had not been men like de Gaulle or Pompidou around at that time. We have had ethnic problems, but so far we have managed to avoid the worst. The departure of the Russians is one of the conditions of democratization, but these Russians are also qualified workers. We are trying to curb their departure.

[Meyer] One of your big problems is corruption. What is the scope of corruption?

[Akayev] It has always existed, and there is no doubt that it is getting worse during this transitional period. We are seeing some people grow breathtakingly wealthy while the mass is on the brink of poverty. If we do not manage to halt it, then the situation could explode. We need more than our forces alone to fight it. Foreign influence, in the form of joint ventures, technologies, and new blood, can only be a good thing.

**Maintaining the Balance Between China and Russia**

[Meyer] What are your relations with China, your big neighbor on the other side of the Tian Shan mountains, unknown territory during the 30 years of Cold War, until 1989.

[Akayev] This question is of crucial importance for all of Central Asia. As a region, we are flanked by two superpowers. We see them as two wings to help us take off. Flying on these two wings is our guarantee of sovereignty. Russia is our main ally and leading trade partner. I hope we can bequeath this stability, which is the fruit of our parents' efforts, to our children. Our Russian cultural and scientific heritage serves as our opening to the world. Through Russia, we are European, the children of Montesquieu and Diderot.

For us, however, China is 1,000 km of border and 2,000 years of common history. The first working school in this country was Chinese. Via the Silk Route, the Chinese traded their textiles for our sturdier horses. I pray to God that Russia and China will always maintain good relations, because that is an essential condition for our security and the security of all Eurasia!

[Meyer] During his recent visit, did Chinese Prime Minister Li Peng ask you to bring under Chinese administration the Uighurian exile organizations from Xinjian ?

[Akayev] No. We have 24 ethnic organizations. We appreciate their desire to be different and to maintain their identity, on a strictly cultural level. Our relations with China are normalizing, and it cannot put pressure on us.

[Meyer] Do you see the possibility of a rebirth of the ancient empires of Central Asia, in a confederal or other form?

[Akayev] No. There will be no rebirth of the Turkestan of old. Uzbeks and Kyrgyzis, for example have the same linguistic and religious roots, but are very different. Our goals are the same: To build a democracy based on a market economy. However, the paths we have chosen are not the same. Another example can be seen in the fact that the Turkmenistan's president wants to return to authoritarian methods to establish democracy. We do not have the same approach. It is impossible to restore Turkestan under these conditions.

However, there are things which we must recreate together: The democratic area and the borderless market that existed 1,000 years ago in Central Asia; the free trade of goods and labor. The wellbeing of the peoples leads to solidarity. Three presidents, Nazarbayev of Kazakhstan, Karimov of Uzbekistan, and myself, recently signed an agreement to avoid any hindrances to trade. Finally, we must avoid using the concept of Turkestan as a political pawn to counterbalance China: Nothing will be done against China.

## Tajikistan

### Prime Minister Receives Iranian Ambassador

*LD0106124394 Dushanbe Radio Tajikistan Network in Russian 1000 GMT 1 Jun 94*

[Text] Abdulmadjid Samadov, chairman of the Council of Ministers of Tajikistan, has received Ali Ashraf Shabestari, the ambassador of the Islamic Republic of

Iran to our country, and Mehdi Mohtashami, head of the our Foreign Ministry department for CIS affairs, at their request.

Abdulmadjid Samadov familiarized the guests with the political and economic situation in Tajikistan. He pointed out that the efforts of the leadership of the country are directed at uniting the nation and ensuring safety and security on the Tajik-Afghan border. The intra-Tajik talks have been initiated only for this purpose.

Issues related to continuation of the forthcoming intra-Tajik talks which are due to take place in Iran, the opening of a Tajikistani embassy in that country, and the expansion and strengthening of economic cooperation between the two nations were discussed at the meeting. It was pointed out that the republic's Ministry of Economy and Forecasting and Ministry of Foreign Economic Relations have been instructed to prepare a program of economic cooperation with the Islamic Republic of Iran.

The meeting was held in an atmosphere of friendship and mutual understanding.

### Russian Commander Reviews Border Situation

*PM0106154594 Moscow IZVESTIYA in Russian 1 Jun 94 p 3*

[Report by Gulyana Khusanova, incorporating interview with Lieutenant General Anatoliy Chechulin, commander of the Russian Border Troops in Tajikistan; place and date not given: "Spring Offensive Has Failed To Materialize, but Two Russian Border Guards Have Been Killed on the Tajik-Afghan Border in Recent Days"]

[Text] Dushanbe—The military's forecasts regarding a major spring offensive by the armed Tajik opposition on the Tajik-Afghan border have not worked out.

But Lieutenant General Anatoliy Chechulin, commander of the Russian Border Troops in Tajikistan, considers that the situation could deteriorate at any moment.

[Chechulin] Several hundred armed supporters of the Islamic Revival Movement of Tajikistan are concentrated in a number of our neighboring territory's border regions. Their redeployment toward the border has been observed of late.

[Khasanova] Some people are of the opinion that Russia is paying too high a price in its soldiers' blood and lives to protect the sovereign Tajik border. Twenty-five men have been killed in the 12th Border Troop Subunit. Could something similar happen again?

[Chechulin] The families of the dead will forgive me, and I hope it does not sound blasphemous, but we did learn a good lesson from what happened ten months ago. I can now say with a full sense of responsibility what the likelihood of a repetition of the tragedy is. Everything has been done to ensure that every border subunit or border post, without exception, can repulse enemy attacks until the approach of reserves. We have highly mobile motorized subunits, airborne assault units, artillery, and military aircraft at our disposal. The Tajik-Afghan border today is a system of modern obstacles, including mined obstacles. We are setting up our own air defense system. One in ten soldiers in the border troops is on contract. The border troop subunits and border detachments are manned at wartime strength.

[Khasanova] You will agree that such a situation cannot go one for ever. The Tajik border must be taken under the protection of units of the national army and local border troops. When will this happen?

[Chechulin] Tajik units now mainly occupy the second echelons, while we occupy the front echelons. This distance, does not, incidentally, prevent our successfully carrying out joint operations. However, I do think the time will come when Tajikistan will have to guarantee the security of its own border by its own devices. I don't, however, think this is going to happen soon.

I cannot agree with the opinion that Russian troops should be withdrawn from here. The presence of Russia, which has its own indisputable geopolitical interests here, is a real necessity. The more successful the talks between the Dushanbe authorities and the opposition are, the more nominal the Russian military presence in Tajikistan will become.

### Government Opposition To Discuss Refugees, Border

*LD0106182994 Moscow INTERFAX in English 1427 GMT 1 Jun 94*

[From the "Presidential Bulletin" feature: Correspondents Igor Porshnev, Vitaliy Trubetskoy and others]

[Text] Dushanbe officials want to discuss the return of all Tajik refugees from Afghanistan and elsewhere and security of the Tajik-Afghan border during the talks with the opposition that are scheduled to be held in Tehran in mid-June. First Deputy Chairman Abdujalil Dostiyev of the country's Supreme Soviet told INTERFAX that the refugees who had fought for the opposition in the civil war would not be prosecuted because they were covered by the amnesty.

Tajik Foreign Minister Rashid Alimov said that no final date had been set for the Tehran talks. He would not mention any date so as not to harm the negotiating process.

Alimov said that there would be no changes in the Tajik Government delegation.

INTERFAX Note: In the Moscow round of talks on 5-19 April the two sides agreed on the agenda which includes now a ceasefire, return of the refugees and subsequent

consultations. The opposition, notably Akbar Turajonzoda, one of its leaders, wants the government delegation, now headed by Labor and Employment Minister Shukurjon Zukhurov, to be upgraded.

Observers in Dushanbe are concerned that the recent killings of Russian border guards in Tajikistan may have a negative impact on the talks. Meanwhile, General Anatoliy Kuptsov, deputy security minister, dismissed the speculation that these killings were politically motivated. He said that these were common crimes.

## Uzbekistan

### Ostankino Cutbacks Blamed on 'Primitive Jingoists'

*PM0106154994 Moscow ROSSIYSKAYA GAZETA in Russian 1 Jun 94 First Edition p 5*

[Unattributed report: "Uzbekistan: Inaccessible Ostankino"]

[Text] For several months now Uzbekistan has had to be satisfied with a truncated Ostankino service and has been virtually robbed of Russian TV. Russian viewers have been left without sports, educational, cultural, and children's programs. Their small screens only come on at 1800 hours. The local authorities say that the two television companies owe the republic's Ministry of Communications 1 billion rubles for the use of 250 relay stations. Many Moscow newspapers stopped being printed in Uzbekistan even earlier, and you cannot find anything in the local kiosks now apart from TRUD and RABOCHAYA TRIBUNA. The "literary monthly" journals are not arriving either. For three years now there has not been a single theater, singer, or group from Russia on tour even in Tashkent. Television was the only salvation from a total cultural vacuum.

Ostankino undoubtedly still has the highest rating in the republic. A recent sociological poll showed that the other channels broadcasting in Uzbek and Turkish get just a third of the viewers, at best. It is presumably the popularity of Russian television that irritates the primitive jingoists who see Ostankino as almost "subversive."

Another story has it that local television personnel are interested in cutting Ostankino in order to "make a killing" out of the advertising profits.

Typically the problem of Ostankino is not even being discussed in the local press. This is a clear sign, as is the custom in Uzbekistan, that top mandarins have had a hand in the decision to cut back broadcasting.

Viewers in Kirghizia [Kyrgyzstan] picketed the republic's television and radio company, the government immediately backpedaled and switched on Moscow television right away.

### Price, Wage Increases Take Effect 1 Jun

*LD0106124094 Tashkent UZBEKISTAN APN in Russian 1002 GMT 31 May 94*

[Text] [No dateline as received]—In accordance with a resolution of the Government of Uzbekistan, from tomorrow the price of gasoline will rise from 600 to 1,000 sum-coupons a liter, electricity for residential premises from 10 to 15 sum-coupons a kW hour. The cost of travel on urban transportation will double—for a journey by bus, trolleycar, tramcar, and metro will be 100 sum- coupons. The price of tin-baked bread is set at 400 sum-coupons compared with the present 105.

At the same time, from 1 June the minimum wage will be increased by 50 percent, bringing it up to 75,000 sum-coupons.

## Armenia

### President Forms Commission for Talks With Russia

*NC0106195094 Yerevan Armenia's Radio First Program Network in Armenian 1530 GMT 1 Jun 94*

[Text] Armenian President Levon Ter-Petrosyan signed a decree today to form an Armenian Republic state delegation to hold talks with the Russian Federation. It established an Armenian Republic state delegation to formulate a system of legal foundation for bilateral relations between the Armenian Republic and the Russian Federation, to resolve emerging practical problems, and to coordinate the talks held with Russia through various departments. The Armenian State Minister Armenak Gazaryan has been appointed the head of the delegation.

### Abolishes Moscow Mission, Appoints Envoy

*NC0106172494 Yerevan Radio Yerevan International Service in Armenian 1600 GMT 1 Jun 94*

[Text] The Armenian Republic President Levon Ter-Petrosyan signed a decree today to abolish the Armenian Government's Permanent Mission in the Russian Federation and instructed the Armenian Government to take action to implement this decree.

The Armenian president also signed decrees appointing Yuriy Mkrtumyan Armenia's ambassador extraordinary and plenipotentiary to Russia and bestowing upon him the diplomatic title of ambassador extraordinary and plenipotentiary.

### New Deputy Foreign Minister Appointed

*NC0106154394 Yerevan SNARK in English 1452 GMT 31 May 94*

[Text] Yerevan, 31 May (SNARK)—The 37-year-old Eduard Zuloyan has been nominated as the Deputy Foreign Minister of Armenia. Before the appointment, Zuloyan headed the military-political office in the same ministry.

As SNARK newsman was told in the press bureau of Foreign Ministry, earlier Zuloyan served in the national security organs, Physical [Physics] Institute, and Transport Ministry.

### Azeri Shelling Said To Continue in Karabakh Area

*NC0106161394 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0730 GMT 1 Jun 94*

[Text] Stepanakert ("LRAGIR" daily), 06/01/94—Despite relative calmness in the zone of Karabakh conflict, the Azeri side continues shelling the Karabakh defense positions.

According to the RMK [Republic of Mountainous Karabakh] Defense Army headquarters, the Azeri units, stationed near the village of Verin-Chailu in the Mardakertskiy district, shelled the Karabakh defense positions at the village of Levonarkh on 31 May, using armored personnel carriers, mortars, and shell dischargers.

A little later, the enemy shelled the positions at the villages of Shurabad, Ikhchilar, Umudlu, and Suma in the Aghdamskiy district and the village of Karakhanbeyli in the Fizulinskiy district. No casualties are reported. The Karabakh side refrained from returning the fire.

### Gukasyan Sends Message to CSCE's Eliasson

*NC0106164394 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0730 GMT 1 Jun 94*

[Text] Stepanakert ("YERKIR" daily), 06/01/94—RMK [Republic of Mountainous Karabakh] Acting Minister of Foreign Affairs Arkadiy Gukasyan sent a message to the Chairman of the CSCE Minsk group Ian Eliasson on 31 May.

"Dear Mr. Eliasson:

"I shall give you some details about the actions of the Azeri armed units in the captured RMK territories.

"At the beginning of May 1994 the Karabakh army liberated the villages of Talish, Seisulan, Yarmja and Karmiravan in the Martakertskiy district of the Republic from the occupants.

"Having to retreat, the Azeri command ordered to destroy the Armenian villages. The intercepted radio communications evidence that this barbarous actions have been coordinated with the Azeri high ranking political leadership.

"The abovementioned villages, as well as other villages in the RMK Martakertskiy, Gadrutskiy, Askeranskiy, Martuninskiy and Shushinskiy districts, which have formerly been occupied by the Azeri forces, are in fact razed to the ground. The retreating Azeri army is only leaving ashes behind, thus forcing [the RMK to take] [previous brackets are source-supplied] retaliative measures.

"We have irrefutable information about inhabiting native Armenian lands by the Azeris. This has also been carried in Azerbaijan on the level of state policy. The authorities in this country are actively working on inhabiting the villages of Leninavan, Maraga in the Martakertskiy district, Shahumyanov, Kharkhaputi, Verishen, Hay-Boris, Rus-Boris, Buzlukh, Gulistan, Garachinar, Hakhtut, Manashid, Nor-Shen and Yerkej in the Shaumyanovskiy district [by Azeris] [previous brackets are source-supplied].

"The same fortune would have expected hundreds of other native Armenian villages, if not the courage of RMK defense army fighters who liberated the Armenian

villages. To be more precise, not the villages but the ashes which remained after the retreat of the Azeri units.

"I would be very grateful if you can send your representative to the region for investigation of this problem on the spot.

"In all cases, we hope for immediate and effective measures you will carry for preventing the possible negative consequences of the political stance of the Azeri leaders and for the peaceful resolution of the Karabakh conflict."

## Azerbaijan

### Gasanov Calls for Condemnation of Armenian Aggression

*NC0106201594 Baku Radio Baku International Service in Azeri 1300 GMT 1 Jun 94*

[Text] Foreign Minister Gasan Gasanov has forwarded a letter to the UN secretary general and the chairman of the UN Security Council to inform them of the Armenian Armed Forces' banditry attack on the [name indistinct] locality in Nakhichevan Autonomous Republic's Sharurskiy Rayon on 27 May. Nine Azerbaijani troops were wounded and four others were killed in the incident.

Gasan Gasanov described the Armenian Armed Forces' attack as an act of banditry. He said: The military operation has taken place in a locality which is very far from Daghlyk Karabakh. It occurred while Azerbaijan strictly adheres to the agreement on the imposition of a cease-fire. Consequently, it conflicts with the talks that are held within the CSCE framework, in which resolutions are drawn up and adopted for a political solution to the dispute between Armenia and Azerbaijan.

Gasan Gasanov urged the UN, the CSCE, and other international organizations to condemn the Armenian militarists' aggressive activities and take measures to obstruct Armenia's aggression against Azerbaijan.

### Further on Possible Introduction of Presidential Rule

*LD0106181294 Moscow INTERFAX in English 1427 GMT 1 Jun 94*

[From the "Presidential Bulletin" feature: Correspondents Igor Porshnev, Vitaliy Trubetskoy and others]

[Text] Azeri leader Geydar Aliyev is considering tough measures little short of dissolving parliament and imposing presidential rule to try to overcome the current political crisis, presidential sources told INTERFAX.

INTERFAX Note: There has been a string of publications and radio and television broadcasts in which calls were made, mainly on behalf of Azeri refugees, for dissolving parliament and clamping presidential rule in the country.

However, administration officials deny such a scenario of events. Presidential spokesman Salakhaddin Guliyev told INTERFAX that Aliyev had no intention of resorting to any drastic decisions concerning parliament or the internal situation as a whole in the near future.

Many say Aliyev seems to be favoring a more measured approach based on recommendations from government adviser Arif Ragimzade for the time being. Ragimzade proposes that mandates be withdrawn from radical opponents of the ruling regime including former foreign minister Tofig Gasymov and one of the leaders of the National Front Ibragim Ibragimli. Both of them were behind a recent protest against the government decision to sign an agreement on cease-fire in Nagorno-Karabakh during a meeting in Bishkek. Opposition members say Speaker of Parliament Rasul Giliyev's signature does in fact put a seal on recognizing the enclave as a party in the conflict.

Gasymov and Ibragimli were both expelled from parliament by a majority vote late on Tuesday [31 May].

In a statement afterwards, Gasymov accused the government of wanting to get rid of the opposition in parliament and the society.

For his part, Ibragimli said that Azerbaijan was firmly on course towards "dictatorship and a military-police regime" predicting hard times ahead and inevitable social unrest.

Opposition experts predict the onset of authoritarian trends in Aliyev's rule following the expulsion of his staunch opponents from parliament. This view was also echoed by leader of the National Independence Party Etibar Mamedov who described the parliament's decision as destabilizing. He said "the parliament's actions indicate that there are forces who want to derail oil contracts with the West and help introduce Russian troops into Azerbaijan."

### Parliament Meets on 'Crisis,' Budget

*944K1325A Baku AZERBAYDZHAN in Russian 28 May 94 p 1*

[Report by Elchzhi Suleyman and Farid Arifoglu: "Crisis Overcome"]

[Text] The National Assembly got down to business on 23 May. The sitting was brief—approximately two hours. The main topic was the absence of a quorum and the search for a way out of the parliamentary crisis. We recall that 15 deputies had walked out of the last sitting of the National Assembly, protesting the exclusion from the agenda of the question of the Bishkek Protocol, and that it has not been possible to muster a quorum since—34 votes (theoretically they could have been mustered—were the hajji faithful to have returned from Mecca, were the sick to have gotten up from their hospital beds...).

As moved by R. Guliyev, three options of a way out of the parliamentary crisis were discussed. The first presupposes, in the speaker's words, "recognition of their responsibility by some of the deputies who walked out and their return to perform their duty." An appeal to the president that the latter, by edict, lower the quorum to 26 votes was the second option, which the deputies found more attractive than the others. The last option was the dissolution of parliament by edict of the head of state.

According to the information presented by S. Mirzoyev, Supreme Council Secretariat general secretary, there are in the constitution lacunae in this sphere: It does not contain mechanisms for a way out of such situations. In similar instances in world practice the president avails himself of his right to dissolve parliament. S. Mirzoyev himself considers the second the optimum option. "It is not entirely legitimate, it is true, but it is the most acceptable way," he observed.

Some 28 deputies of the 30 present voted for the second option—an appeal to the president. Two members of the National Assembly—Suret Guseynov and Mirgamza Efendiyev—did not take part in the vote. S. Guseynov had earlier moved that the speaker enter into negotiations with the opposition deputies in order to bring them back to the meeting hall.

On 25 May the National Assembly once again acquired a quorum. The 15 deputies who had walked out in the past week returned. T. Gasymov delivered a statement on their behalf. He described the walkout of the group of deputies as an entirely normal occurrence in parliamentary practice in keeping with constitutional provisions, the Status of the Deputy Act, and the National Assembly standing orders.

"But a campaign of slander was mounted against us in the news media: The opposition is allegedly opposed to an end to the war, is sabotaging the work of parliament, and is preventing a pay raise for the working people," T. Gasymov continued. "We emphatically reject these attacks and, not wishing the needy strata of the populace to suffer from an exacerbation of relations between the authorities and the opposition, we are returning to parliament. We will continue to struggle against the commitment of Russian troops to Azerbaijan under the aegis of the CIS peacekeeping force. We are opposed to 'peace for land.' We believe that the Bishkek Protocol is contrary to the interests of the Azerbaijani people and demand its discussion in parliament," T. Gasymov said.

Rasul Guliyev, the head of parliament, viewed T. Gasymov's statement as "unobjective."

He was followed to the rostrum by Etibar Mamedov. He noted the connection between the approach of the deadline for the signing of the oil contracts and the exacerbation of the domestic political situation and criticized the policy of holdups in privatization: "A dangerous trend toward the concentration of control over economic potential in the hands of three or four persons has emerged." According to E. Mamedov, this trend is fraught with negative repercussions.

Deputy E. Mamedov then announced his withdrawal from the National Assembly until he obtains explanations concerning the campaign of persecution on the part of the law enforcement authorities and the news media that has been mounted against him and members of his party.

At an impromptu news conference in the lobby of the Supreme Council, Etibar Mamedov declared he had never recognized the "irreconcilable opposition" concept. In the opinion of the leader of the National Independence Party, the opposition should be constructive and open to cooperation. He is, as before, opposed to the commitment of Russian troops in any capacity.

After this, parliament finally got down to legislative activity. The Commodity Exchanges Act was adopted without major criticism.

After the break, the members of parliament embarked on a discussion of the draft budget of the Azerbaijani Republic for 1994. As Dzhumshud Nuriyev, chairman of the Commission of the National Assembly for Control of the Budget, announced, revenue in the current year will constitute 138.5 billion manat, expenditure, 181.4 billion; a deficit, therefore, of 42.9 billion, which should constitute approximately 7 percent of the gross national product. Dzh. Nuriyev sharply criticized the unduly high, in his opinion, appropriations for maintenance of the organs of state power and administration, which amount to almost 10 percent of budget expenditure.

The head of the parliamentary commission sees as the way to reduce the budget deficit the adoption and realization of an official program of privatization, stabilization of the exchange rate of the manat, a flexible monetary policy, and the sale to the public of government bonds.

Dzh. Nuriyev observed that capital investments would be allocated mainly for the development of the oil industry and agriculture—sectors in which investments are recouped and profits are produced most rapidly.

As ascertained in the course of the debate, members of the National Assembly were worried particularly by how far measures of the social protection of the population had been taken into consideration in the draft. Fikret Yusifov, first deputy minister of finance, emphasized that the government would not go the route of an increase in the minimum wage since this would merely signify a further increase in the gap in income between the high- and low- income categories of the population, not, in fact, improving the position of the latter. According to F. Yusifov, work is under way at this time on the formulation of a mechanism of a rise in salaries according to grade in order to alleviate the position of the strata that are socially the most vulnerable.

Summing up the sitting, the speaker briefly analyzed the country's economic situation and charted ways out of the crisis.

The fall in production, the high spending on defense, tax evasion on the part of a multitude of commercial and industrial facilities, the delay in the reforms—such are the causes of the Republic's serious situation. It is essential for overcoming the crisis, in R. Guliyev's opinion, to halt the decline and achieve a growth of production and find markets for the sale of the manufactured product. Only high-quality merchandise, for whose production investments are needed, can compete successfully on these markets.

Internal credit resources and external capital investments are the sources of the latter. Internal credit resources are at this time down to nothing. Moreover, 200 billion manat of loans not backed by real resources have been granted. For the formation of internal credit resources it is essential to undertake privatization and the formation of stock companies and to channel the funds thus obtained into the financing of the enterprises. But the results will show through only in 6-12 months. Until then it is necessary to liberalize export-import transactions in order to have earned approximately $500-$600 million by the year's end.

It is necessary to avail ourselves of credit from foreign governments and international financial organizations. Credit of $1 billion would be sufficient to stabilize the economy and create reserves for its continued normal operation. The conditions of the allocation of foreign credit are a peaceful solution of the Armenian-Azerbaijani conflict and the signing of the oil contracts. Certain progress has been made in both areas. Combat operations have been terminated, and a search for ways to achieve a big peace agreement is under way. The oil negotiations have entered their final phase; the signing of the actual document is expected very shortly.

The speaker supported the introduction of a progressive tax system. Concerning wages, R. Guliyev declared that it was expedient to raise them for doctors and teachers and increase student grants and retiree benefits. These strata of society (2 million persons approximately) are among the most vulnerable socially. The corresponding presidential edict will appear soon.

Terming the proposed draft budget the "optimum version," the head of parliament called for its approval. But the deputies, of a mind not to hurry, postponed this procedure until the following day.

On 26 May the National Assembly passed the 1994 Azerbaijan Republic Budget Act and the corresponding decree. Parliament instructed the Ministry of Economics to present a specific program of economic reforms, and the National Bank, guidelines of monetary policy for 1994. Two weeks were allotted for both.

## Russian Parliamentarians Meet With Aliyev

*944K1344A Baku AZERBAYDZHAN in Russian 31 May 94 p 2*

[Report by Elchin Suleyman: "Russian Parliamentarians' Visit"]

[Text] "We have to lay our brick in the foundation of friendship between the peoples of Azerbaijan and Russia," N. Bezborodov, member of the Russian parliamentarians' group and a deputy chairman of the State Duma's commission on defense and security, said at the meeting with the president of Azerbaijan. This group, which represents the Russian Way parliamentary faction (leader S. Baburin) has been in Azerbaijan for several days and is conducting active work. On the eve of the meeting with the president, the group was received by the parliament chairman, Rasul Guliyev. The group includes members of the clergy, the military, and agrarian economists. Thus, it is not surprising that economic issues were raised as well. In particular, it was said that the economic potential of our countries is not being fully utilized and "as a result, both countries lose." Although not too long ago convoys of "gifts of nature" were being sent to Moscow without encountering any particular obstacles.

The guests were also interested in the situation of Russians in Azerbaijan; in this connection the president said that after the disintegration of the Union certain processes affecting people's lives have indeed began. Russia is concerned about Russians living in other countries. "Now the Russians live in most normal conditions," said the head of state. "If some problems do arise in the future, we are capable of dealing with them."

It was probably the first time that journalists heard from the mouth of Russian politicians the thesis of the unconditional need for withdrawal of Armenian troops from the occupied territories of Azerbaijan; N. Bezborodov made this statement: "Armenia must withdraw troops from the occupied territories."

Russian parliamentarians agree that the mass media seriously distort the situation in the region, "do not deliver objective information, and suppress many things." The deputies assured the president that the detailed information they have received here will be presented to the mass media, to the parliament, and the government of Russia—which, actually, was one of the main purposes of their visit to Azerbaijan.

## Anti-Inflation Edict Readied

*944K1333B Baku ZERKALO in Russian 28 May 94 p 2*

[Unattributed article: "Draft Presidential Edict Readied"]

[Text] With the direct participation of the Ministry of Finance, a draft presidential edict has been drawn up on a package of measures to prevent the growth of inflation

in Azerbaijan. As Fikret Yusifov, acting minister of finance of the Republic, stated to a correspondent of the KHABAR-SERVIS agency, the draft specifically envisages a suspension of the construction of secondary and tertiary facilities and long-term construction projects, as well as the adoption of special parallel measures in connection with the coming increase in the minimum wage which, in the words of the acting finance minister, will have a negative effect on inflationary processes.

F. Yusifov declined to give a direct response to the agency correspondent's question as to how accurate are the rumors concerning anti-inflationary experiments by the directorship of the National Bank of Azerbaijan, that the bank flooded the black market with a large amount of foreign currency to stabilize the exchange rate of the manat. Yusifov noted that such rumors were being spread prior to his time as well, but they have not been corroborated. He added that the National Bank does not possess a large quantity of foreign currency, and that what currency exists is concentrated mainly in the International Bank.

### National Bank Changes Currency Rates

*944K1333C Baku ZERKALO in Russian 28 May 94 p 2*

[Unattributed article: "National Bank Sharply Changes Foreign Currency Exchange Rates"]

[Text] The National Bank of Azerbaijan has sharply changed the exchange rates of foreign currency with respect to the manat. Now $1 is valued at 1,100 manat. As Abdulla Melik-Aslanov, deputy chairman of the board of the National Bank, informed a correspondent of the ANS-PRESS agency, the new exchange rate is more realistic and acceptable under today's critical economic conditions. A. Melik-Aslanov believes the increased bank exchange rate will not be accompanied by significant changes on the currency black market. He emphasized that "more surprises lie in store" with respect to official currency exchange rates.

## Georgia

### Peacekeepers Bound for Abkhaz-Georgia Border

*PM0106113794 Moscow KRASNAYA ZVEZDA in Russian 1 Jun 94 p 1*

[Leonid Pozdeyev report: "Urals 'Blue Helmets' Bring Peace"]

[Text] Colonel General Yuriy Grekov, commander of the Urals Military District troops, has conducted an inspection of the Russian battalion of peacekeeping forces formed on the basis of the Urals Military District.

The battalion is staffed exclusively by volunteers. Lieutenant Colonel Aleksandr Terekhin is commander of the Urals "blue helmets." Under an interstate agreement reached under the aegis of the United Nations, the Urals battalion, together with other Russian peacekeeping subunits, will be located along the border between Georgia and Abkhazia.

### Russia, CIA Help To Arm, Train New Military Unit

*PM0106135594 Moscow KOMSOMOLSKAYA PRAVDA in Russian 1 Jun 94 p 1*

[Unattributed report from "Inform" column: "Georgia Has Its Own Special Forces"]

[Text] A Georgian State Security Service special-purpose, assault-landing brigade has been reviewed in the village of Mukhrovani in East Georgia. Talking to journalists, Igor Giorgadze, chairman of Georgia's State Security Service, said that this subunit has been trained at the Russian special services' training centers. The Russian Armed Forces have provided the new Georgian special-purpose forces with new modern arms and equipment free of charge. The assault-landing brigade comprises tanks, armored hardware, artillery, a crack "Alfa" subunit, and an antiterrorist squad. The latter has been trained, armed, and equipped by the U.S. CIA.

Newspapers in Tbilisi reported that the upkeep of the Georgian special forces will cost the Republic 5 billion Russian rubles a year.

### Kakubava Accuses Shevardnadze of 'Betrayal'

*AU0106114994 Tbilisi SHANSI in Georgian 18-25 May 94 p 2*

[Interview with Boris Kakubava, leader of the Organization for the Liberation of Abkhazia, by Maia Toradze; place and date not given: "Shevardnadze and His Terrorist Group Should Be Wary of Me"]

[Text] [Toradze] Batono [Georgian polite form of address] Boris, why was the Organization for the Liberation of Abkhazia formed?

[Kakubava] There used to exist in Abkhazia the Council for National Unity that had been elected on 9 May 1992 at the congress of the Georgian population living in Abkhazia. As we had been thrown off the territory of Abkhazia and were confronted with another stage in life, we considered it necessary to transform this purely political association—the Abkhazian Council for National Unity that united 19 parties and organizations—into a political and military organization that would lead [the struggle] for the return of the territory of Abkhazia.

[Toradze] Your organization believes that we should use military force to recover Abkhazia. How realistic is this?

[Kakubava] It is possible to recover Abkhazia only by using military force and only now for, if we delay, it will be too late. I also believe we are already eight months late and this is the fault of the head of state. We should not have started the war in Abkhazia at that precise time. We

told Eduard Shevardnadze this right from the start. A group of 10 of us—five members of the Abkhazian Council for National Unity and five from the Ilia Chavchavadze Society—went to see the head of the Supreme Council then and we proved to him in detail that introducing tanks and soldiers into Abkhazia would have the consequences that we can clearly see now. Shevardnadze promised us then that he would not send armed units onto the territory of Abkhazia, but, one week later, the Georgian Army entered Abkhazia and the war began. In spite of our negative attitude, given that this, nevertheless, had happened, the war should have ended in our victory; we should have punished the separatists and their leaders and the enemies of Georgia and established Georgian jurisdiction over the territory of Abkhazia. This process should have lasted no more than 10 days. However, everyone knows that, precisely on Shevardnadze's direct instructions, Jaba Ioseliani [leader of the "Mkhedrioni" paramilitary group, first deputy chairman of the State Council at the time] arrived in Abkhazia, the Georgian Army halted its advance, and talks were held with the Abkhazians—as a result of which we were unable to cross the Gumista river. This led to the surrender of Gagra and later Sukhumi, the extermination of 30,000 people and the expulsion of the Georgian population. Today, there are no Georgians in Abkhazia. It is no longer Georgia.

Yet, the greatest misfortune is that this war was called an Abkhazian-Georgian war, which is in no way true. This was Russian aggression against Georgia. The introduction of troops was planned by Russia. Whether it was Shevardnadze or [former Defense Minister] Kitovani who carried this out does not interest me. I know one thing: The Army was brought in on Russia's orders, it was made to halt its advance and play war, and Russia was given the opportunity to use the Apsua [Abkhazians' name for themselves] against us and this war was called an Abkhazian-Georgian war, whereas, in reality, it was Russian aggression. Many of those who fought in this war say that Gagra, Sukhumi, and Kochara were sold out. I do not know if this is true and do not support these kind of statements; however, I do know that we did not lose a single place in battle. Even in the position that we were then, we could have won any war in spite of the fact that Russian Army formations were opposing us; we could have won as the battle was being conducted on our territory. However, the Georgian authorities began to deceive the Georgian population by saying that we could not manage without Russia and that, for goodness' sake, we should not offend Russia and we should not say that it was precisely Russia that was waging war against us. In Parliament, we were attacked by a part of the deaf-and-dumb majority obedient to the authorities and were not even given the right to mention Abkhazia during the parliamentary sessions. I view this as betrayal. One cannot keep a country in a state of war for two years and finally state: I [Shevardnadze] did not allow our Army to enter Gudauta and Tqvarcheli because Abkhazians would have been killed there. Then, why did you go to war? Why are you the commander in chief of the Army who put us in a state of war? If you do not destroy the enemy but allow your Army to be destroyed in the meantime, what kind of person are you? Thirty thousand Georgians have died, Georgia has lost its best land, and no one is assuming responsibility for this. It would have been a different matter had you said that we had fought but lost the battle. However, when all actions are directed toward your army units losing the war—you appoint people from the street to top positions, people who are absolutely incompetent, all levels are controlled by mafia structures, and a representative of the [criminal] underworld is raised to the level of the state—if this is not betrayal, let any Georgian tell me what it is.

The head of state's statements that we will return with dignity to Abkhazia are nothing but deception; this is a fact because he conducted negotiations with the opposing side against our wishes. Today, Abkhazia is known throughout the world as an independent land. Shevardnadze could have held negotiations with the head of the Russian state as a war was going on between Georgia and Russia, whereas we could have discussed the conflict with the Abkhazians and come to an agreement among ourselves. Shevardnadze had not sent even one of our representatives to participate in the meetings and negotiations that had been held up to that point. In spite of our daily protests in Parliament that this was a step toward recognizing the independent state of Abkhazia, the independent state of Abkhazia was established in the accord of 4 April. When we mention this, representatives of the majority raise an admonishing finger and say that, on the contrary, we have done a good thing and that this is a political statement and does not mean Abkhazia's independence. There followed a flood [of documents] on the state independence of Abkhazia that were based on the 4 April accord, in particular the agreement of 14 May according to which Russia was able to declare Abkhazia to be an independent state and to determine the Abkhazian-Georgian border along which Russian Army units are to be deployed. It followed from the final agreement that Russia was not satisfied with Abkhazia: Samegrelo has been declared a buffer zone and Russian troops will be located on its territory as far as Khobi.

[Toradze] Why do you think people are negatively disposed toward you? Is it simply because they favor Shevardnadze or is it because they really do believe that it is possible to settle this problem by means of negotiations?

[Kakubava] No, this is not what they think. I do not know of any person in Georgia today who could sign a document giving away Georgian territories. I do not agree with the view that Georgia cannot exist on its own. We are a country of 5 million, but we have the potential to maintain a state of 15 million. However, if we artificially create such conditions in which we kill the Georgian's desire for originality and, if we allow the view to prevail that we can do nothing without others and that the whole world is feeding us thanks to Shevardnadze, we will be unable to become an advanced nation. The

view has been frequently expressed recently that we are not a warlike people and that war is not our business. Such statements should be condemned. We are indeed a warlike people and courageous as well and no stronger nation than ours exists in the world; we are truly a decent people, but we simply need a leader who will conduct a policy that befits an independent state. Today, we have a government that is dragging us toward enslavement. It contains people who, in their time, were nothing but thieves and who do not know what a nation is and what the state approach to a matter is.

We now state the following: As they have brought us this far, they should now give us the chance to return to Abkhazia. I am not competing for anyone's job; I am a soldier. Of those 300,000 Georgians [refugees], there are at least 50,000 brave men who are able to fight. Shevardnadze can see our potential. The Organization for the Liberation of Abkhazia can do this and this is why he, in principle, does not want to meet us.

[Toradze] If you are able to fight, why didn't you fight then in Abkhazia? You had the opportunity. Isn't it now rather late for your self-sacrifice?

[Kakubava] We stated at the time that we should have been given weapons and we could have defended our land by ourselves. We warned them: Don't send those inexperienced kids who are seeing weapons for the first time; give us the chance to fight alone. However, it is not only in Abkhazia, but also here that Shevardnadze is failing to help us in our concern to regain our own territory.

[Toradze] You mentioned that we were fighting against Russia in Abkhazia. However, even with an army of 50,000 that is well trained, is there any chance that we can win? Have you taken this into account?

[Kakubava] We can win on Georgian territory; this should not evoke any negative emotions in us. If Russia were to wage war with all its potential, it would conquer not only Georgia but also the whole world. However, it will not unleash such a war. We would always win the type of war that is being waged in Abkhazia.

[Toradze] Today, you held a news conference at which you said that you were filing a law suit against Shevardnadze in the Georgian Supreme Court....

[Kakubava] Yes. I said that, if, on the instructions of Shevardnadze, Parliament does not disavow all those signed documents concerning Abkhazia within the next five days, we reserve the right to call upon the Georgian population to restore the territorial integrity of Georgia and will demand that the government be replaced by peaceful means, without any bloodshed or destruction. However, we do not want Shevardnadze to leave Georgia without assuming responsibility. Therefore, we have filed a lawsuit in the Georgian Supreme Court and with the procurator general in which we accuse him of betraying Georgia in accordance with Article 65 of the Georgian Criminal Code.

[Toradze] Do you think that you will win this case?

[Kakubava] The case is already won, as, to our surprise, he stated at a parliamentary session that the reason for his not permitting the Army to enter Gudauta and Tqvarcheli was that this would have resulted in the annihilation of the Abkhazian people. This crowns everything that he has done up to now. When the commander in chief does not allow his own army to destroy the opposing side and, meanwhile, it is his army that is destroyed, this is betrayal.

[Toradze] Are you not afraid of making so many bold statements or even of filing a lawsuit?

[Kakubava] Shevardnadze and his terrorist group should be wary of me because I will be a proper plaintiff at this trial. If I am killed, those left behind will behave in a different way.

Furthermore, I will tell you another thing. Whoever intends to kill me will not be buried in Georgia as it will be impossible to find a burial place for him here.

### Foreign Affairs Minister Gives News Conference

*NC0106154894 Yerevan SNARK in English 1118 GMT 31 May 94*

[Text] Tbilisi, 31 May 31 (SNARK)—"There prepared 33 agreements in previous seven rounds of the Russian-Georgian negotiations," said to the journalists at his today's press conference the Georgian Foreign Affairs Minister Aleksandr Chikvaidze.

"Practically, we created the legislative basis for development of the relations between two states."

Aleksandr Chikvaidze denied the reports, some mass media spread, on the fact that there, at the negotiations, were determined the terms of the Russian troops' existence on the territory of Georgia—50 years. Aleksandr Chikvaidze said, "no terms were discussed at the negotiations."

Speaking on the Russian military bases creation on the territory of Georgia, Mr. Chikvaidze said, "If only Georgia offers her territory for Russian military bases, she should get something in exchange. This question couldn't be solved without referendum, without Parliament's content. Yet some more rounds of negotiations are being expected." The eighth round of negotiations is expected by the end of June.

### Denial of Report on Failure of Meeting on Refugees

*LD0106185994 Tbilisi Radio Tbilisi Network in Georgian 1512 GMT 1 Jun 94*

[Text] We are presenting information supplied by CS agency [as heard].

A CS information agency correspondent has been told by Deputy Security Minister Avtandil Ioseliani that a

report broadcast in an Alioni TV program alleging that quadripartite talks in Sochi have failed does not correspond to the facts.

A meeting of the quadripartite commission on Abkhazia took place in Sochi on 29 and 30 May. The meeting had to create a foundation for the return of forcefully displaced people to Abkhazia. During the meeting, the Abkhaz side demanded that a paragraph be included in an application form according to which Georgian refugees would promise to abide by Abkhazian laws. The Georgian and Russian parties at the meeting unequivocally rejected the demand because it was absurd to have a formulation like this before an Abkhazian status had been established.

The meeting discussed an issue of registering refugees and possibilities of information exchange in this connection. A joint statement has been adopted.

According to Mr. Avtandil Ioseliani, the next meeting of the quadripartite commission is to be held in Sochi on 20-21 June.

### Gamsakhurdist Group Calls Russians 'Real Enemy'

*LD0106224794 Tbilisi IBERIA in Georgian 1400 GMT 31 May 94*

[Text] Tbilisi 31 May—It has become known to IBERIA NEWS AGENCY that the Helsinki Union of Georgia [political organization created by late president Zviad Gamsakhurdia] has addressed a statement to ethnic Georgians exiled from the Abkhazian and Samachablo regions. The statement says:

"Regarded from the current historic point, it can be confidently said that devastating developments in the Abkhazian region in 1992-93 have been the largest tragedy for 200 years of Georgia's slavery under the Russian yoke of oppression. Every one of us can clearly understand that the effect of the tragedy is disastrous for the Georgian state and the Georgian nation.

We have to make a final inference: Who is our real enemy, who is hiding beyond Abkhaz and Ossetian militants armed with the newest military equipment and who is actually governing Georgia's policy?

There is only one answer: The Russian empire, which managed to occupy and annex not only Abkhazia and Samachablo, but the whole Georgia as well, and which, by means of puppet regimes in Tbilisi, Tskhinvali, and Gudauta-Sukhumi, carries out the genocide of Georgians, tears a united body of the Georgian state and encroaches upon the state independence achieved by peaceful means. Every agreement concluded with the alleged mediation of Russia has served this aim and created a foundation for the estrangement of the Samachablo and Abkhazian regions.

It may be assumed that a list of anti-Georgian wrecking activities of the puppet regime has not been exhausted. The policy presently conducted in Samegrelo [Russian: Mingreliya] creates grounds for bloody provocation at the Enguri river and augurs the continuation of the genocide of Georgians and disastrous effect for the whole Georgia."

### Parliament Creates Commission To Fight 'Mafia'

*NC0106153494 Yerevan SNARK in English 1620 GMT 31 May 94*

[Text] Tbilisi, 31 May (SNARK)—Today Georgian Parliament accepted a decision to create a special commission to struggle against the mafia. The decision is the result of the discussion the deputies were taking round the worsening criminal situation existing in Georgia.

Irina Sarishvili, one of the leaders of the National-Democratic Party, said at today's session, "no doubt, mafia is heading Georgian state."

### Minister Views Agrarian Reforms, Problems

*AU0206080194 Tbilisi SVOBODNAYA GRUZIYA in Russian 18 May 94 p 1, 3*

[Interview with Georgiy Kvesitadze, minister of agriculture and the processing industry, by SVOBODNAYA GRUZIYA correspondent Ketevan Amiredzhibi; place and date not given: "Land and Reforms"]

[Text] In the current most acute food crisis, many are ready to blame the leadership of the Ministry of Agriculture and the Processing Industry. However, let us look at the issue in a different way: Does the Ministry possess the rights and powers enabling it to have a real influence upon the processes taking place in the branch.

In this regard, Georgiy Kvesitadze, minister of the agriculture and processing industry, and member of the republic's Academy of Sciences, answered questions put to him by a SVOBODNAYA GRUZIYA correspondent.

[Amiredzhibi] Many people are interested to know: Is a structural reorganization of the management of the branch underway?

[Kvesitadze] Yes. However, it is proceeding slowly. Administrative mechanisms are not functioning in the current situation as, to all intents and purposes, there is no market economy in the country. Nevertheless, work is proceeding on the creation and improvement of the structure of management of the branch in new economic conditions; first and foremost, within the framework of the European Union [EU] project. This concerns the elaboration of an organizational structure for managing the branch and mechanisms for serving agricultural enterprises, so-called agro-service. Priorities have already been determined for developing subbranches of the country's agro-industrial complex. Incidentally, a strategy for the production of agricultural products in the Republic is being elaborated together with a group of EU experts and the Ministry and the Academy of Agricultural Sciences.

[Amiredzhibi] Can one speak about any proper cadres policy in the branch today?

[Kvesitadze] Of course. Work is proceeding according to a specially elaborated program. The heads of agro-industrial departments and the managers of more than 50 enterprises and organizations, and so forth have been replaced in more than 20 rayons. In order to train, retrain, and improve the qualifications of cadres in the agro-industrial complex, there exists within the Ministry the Higher School for the Management of the Agro-Industrial Complex and the Institute for Improving the Qualifications of Cadres in the Food Industry, 16 specialized technical schools, 14 inter-rayon training centers, and seven permanent training courses with a fairly strong material and technical training base. New forms of training are being introduced. The first stage involves the training of qualified workers; the second—the training of mid-level specialists who will receive a bachelor's degree. A third stage is also being planned, which will involve the training of higher-level specialists who will be awarded a master's degree. With this aim, the majority of specialized technical schools within our system have been reorganized into agricultural colleges offering various specializations. Instruction in many new specializations has started.

Life convinces us that the branch badly needs new types of cadres, particularly in such spheres as the organization and management of the economy, modernization and automation, the market economy, the mastering of new conditions for science, and so forth. In this respect, a system for improving the qualifications of production managers and other specialists is being established.

[Amiredzhibi] What is the situation regarding privatization and joint-stock companies in the branch?

[Kvesitadze] At the moment, these processes are progressing slowly. Given the sharp reduction in land set aside for agricultural enterprises, there are very many premises, vehicles, agricultural equipment, and other assets that are not being used and standing idle. These are the ones that need to be privatized first so that agricultural production can get underway, but this should now be in the hands of peasant holdings, farms, and other private entrepreneurs. One has to say that the process has become quite complicated regarding the privatization of buildings and installations not being used on state farms, for example, livestock departments and other facilities. The whole point is that they can be privatized only by a decree issued by the Cabinet of Ministers. There are thousands of such facilities. I believe that it is wholly sufficient to obtain permission from our ministry whereas rayon bodies dealing with the management of state property can attend to the proper course of the privatization process.

Let me say a few words about the privatization of agricultural machinery. We believe that there should be some delay before tackling this issue. We propose the following solution: It is expedient to form, on the basis of agricultural equipment that has been made available following the reorganization of state and collective farms, subdivisions of the agro-service that will also serve the small farms and other holdings that are being created. Of course, this does not exclude another solution: Individual farms will be given the opportunity to acquire machinery as private property.

It is possible for a state farm to be privatized and taken over by its collective as a whole. This is already happening, for example, in Dushetskiy rayon.

There is a different approach to the privatization of enterprises in the food and processing industry. Here, it is expedient to form joint-stock companies. For example, the "Tbilmargarinprom" production association, the commercial and industrial firm "Kristall," and enterprises in Tbilisi—the "Kartli" tobacco factory and a dairy—have already been turned into joint-stock companies. A list of enterprises has been drawn up, 51 percent of whose shares will belong to the state once they become joint-stock companies. Preparatory work has already been completed at many enterprises due to be transformed into joint-stock companies.

However, there are enterprises whose production is of strategic importance for the Republic, namely alcoholic drinks, tea, and tobacco. The issue here is clear cut: It is necessary for the state to have a temporary monopoly on this production; this means that the privatization of these type of enterprises, as yet, does not correspond to the general interests of the state.

One more thing has to be said. Privatization in this branch is, in many respects, of a spontaneous nature. Facilities are being redeemed on the basis of leasing agreements that were concluded previously, that is to say, assets are not being revalued taking into account inflation and enterprises are being bought for a song. Such facts have come to light through the work of the Commission for the Privatization of State Property that has been created in the ministry. State property should be redeemed without fail according to its value at the moment of the transaction.

[Amiredzhibi] Are there any violations and abuses on the part of local authorities in the privatization process?

[Kvesitadze] There are very many, particularly when it is a matter of the privatization of land. Thus, as a result of incompetent and unscrupulous work by local land-privatization commissions, there are facts of land being taken that has not been included in the land reform program. As a result, several seed farms have ceased to exist. In a number of livestock-breeding complexes, not even the minimum amount of land has remained for the production of feed. We are somehow trying to correct the mistakes made. In this regard, on the initiative of the Ministry, the Republic's government adopted a decree in 1992 in accordance with which it is prohibited to include in the land reform program that land on which scientific

and educational institutions, experimental centers, nurseries, pedigree stock farms, and also livestock-breeding complexes and hothouses are located.

[Amiredzhibi] It is well known that the agrarian sector is receiving greater attention from the criminal world, if only on account of the fact that goods are nevertheless being produced there. Are any attempts being made by the Ministry—of course, with the help of the Ministry of Internal Affairs and other corresponding ministries and departments—to weaken the pressure being applied by criminal groups and with what effect?

[Kvesitadze] Mismanagement, misappropriation, the unlawful use of state property, unproductive expenditures, and so forth—all these phenomena have always been an integral part, so to say, of the socialist method of economic management and have done enormous damage to the state and society. In the current conditions of economic decline, the intensification of crime, legal nihilism, the incompetent actions of local authorities, and the extremely slow pace of the formation of new economic relations, all these phenomena have acquired a truly universal character. Numerous economic and financial violations and criminal actions have been exposed during the second half of 1993 by our departmental control alone. A halt has been put to many of these. The illegal expenditure and facts of embezzlement and misappropriation that have been exposed amount in total to over 730 million rubles. In the course of checks carried out, more than 120 million rubles have been recovered. Thirteen cases have been lodged with bodies in the Procurator's Office. An analysis of these statistics confirms once more the disorder in the economic mechanism in rural areas and the irresponsibility of many workers. If, in previous years, violators used methods of direct embezzlement and illegal expenditure in their encroachments upon state property, these have been supplemented recently by violations of existing leasing rules. Taking advantage of the lack of a firm legislative base, in particular, regarding questions of privatization, many have misappropriated state property for next to nothing. Gross violations of leasing rules in cases of redemption and incorrect settlements have deprived the state budget of approximately 600 million rubles.

Countering this anarchy is difficult, but not impossible. We are strengthening departmental control and establishing close contacts with the Chamber of Control and the republic's law enforcement bodies for we realize that, only by uniting our efforts, will it be possible to bring about some kind of changes to the situation that has taken shape.

## Estonia

### Government Postpones Decision on Baltic Peacekeeping Unit

*WS0106125794 Tallinn BNS in English 1025 GMT 1 Jun 94*

[Text] Tallinn, 31 May, BNS—The Estonian Cabinet at its meeting Tuesday [31 May] ruled to postpone its formal decision on setting up the Estonian company under the joint Baltic peacekeeping battalion plan and refer the draft decision for further review to the Defense Ministry.

Under the joint Baltic plan, Estonia, Latvia, and Lithuania would each set up a company as part of the Baltic battalion to be formed for participation in U.N. peacekeeping operations.

All three countries also count on Western support for the project. "International assistance programs are expected to be launched as soon as we have a legal basis for the formation of the peacekeeping company," Enn Tupp, the head of the defense policy department in the Estonian Defense Ministry said in an interview earlier.

He said the three countries hope to staff the battalion by August.

### Finance Ministry Reports Economic Recovery Continuing

*WS0106125894 Tallinn BNS in English 1025 GMT 1 Jun 94*

[Text] Tallinn, 31 May, BNS—A report by the Estonian Finance Ministry, read by Minister Heiki Kranich at Tuesday's meeting of the Cabinet, shows that recovery in the country's economy continues also in the second quarter, Prime Minister Mart Laar said.

"While rising inflation was the main problem in the first quarter, the upward pace of inflation now has started to slow down and the government forecasts a continuing decrease in inflation rates for the second quarter," the premier said while briefing reporters after the cabinet meeting.

The Finance Ministry report, titled "On the General Condition of the Estonian Economy," points out indicators such as growing exports, increase in the collateral of the national currency, declining interest rates for short-term loans, as well as the improving investment climate as reflecting an ongoing economic recovery.

Also official unemployment figures have remained at low levels in Estonia. Both the value and physical volumes of the retail sector have been on the increase.

But the report also shows that the country's foreign trade deficit in the first quarter was bigger than for the whole last year. Despite a steady growth in exports both in February and in March, faster-growing imports have outrun export growth. A considerable deficit in the foreign trade balance is likely to lead to a negative outcome of the current account of the first quarter's balance of payments, the report warns.

For the first monthly period since the monetary reform of June 1992, a decline was recorded in March in the value of the collateral of the Estonian national currency, the kroon.

As much as 1.526 billion kroons, or 26.3 percent of the total set down for the whole year was received in budgetary earnings in Estonia in the first quarter. The value-added tax accounted for 822 million kroons of the total earnings in the first quarter. Also noted in the report was certain improvement as to the companies' debts to the state budget.

The World Bank in its evaluations has placed Estonia in the rank of upper-medium income level developing countries.

## Lithuania

### Brazauskas Receives European Parliament President

*LD0106180394 Vilnius Radio Vilnius Network in Lithuanian 1300 GMT 1 Jun 94*

[Text] President Algirdas Brazauskas today received European Parliament President Egon Klepsch and an accompanying delegation.

Brazauskas welcomed the guest who is representing an international organization, which is little known in Lithuania, but which is important to its future. Striving for integration in the European community, Brazauskas said, I have taken measures to coordinate the steps of Lithuania and of other Eastern and Central European states and proposed to arrange a meeting of the leaders of the Baltic states and the states of the Visegrad group. I have taken some steps lately to realize the ideas of this cooperation.

The president dwelled on the complex development of relations between Lithuania and Russia, especially with Kaliningrad region. He expressed concern over obstacles in the processes of independence of Ukraine and Belarus. It is imperative to seek a solution in relations between Russia and Estonia, with a view to foreign troops being withdrawn from this Baltic state, too, by the end of the summer.

Describing Lithuania's domestic scene, Brazauskas said that political passions have somewhat subsided in the one and a half years which have elapsed since the elections to the Seimas. The economic situation is difficult, however. Lithuania especially lacks foreign investments. Western countries should pay more attention to the Eastern and Central European states and help to consolidate their stability.

Klepsch supported the idea of cooperation between the Baltic and Visegrad states. The European community, he said, is concerned about the stability of the Northern and Central European states, especially of those with whom it is preparing to conclude agreements of associated membership.

Welcoming the Lithuanian-Polish treaty, the guest drew attention to the importance of normalizing relations with Russia. The guest also gave a positive assessment to the fact that there are no problems of national minorities in Lithuania, that the process of their integration is taking place. This is well known in the European parliament, he said.

The meeting lasted for one hour instead of the planned 40 minutes. "We had to explain our attitude to current Russian policy, relations of that country with Ukraine and Belarus, ELTA correspondent was told by President Algirdas Brazauskas.

Egon Klepsch met the chairman of the Seimas, Ceslovas Jursenas, today. During the meeting, the guest expressed the view that positive processes in Lithuania are taking the country closer to the European structures. "The first meetings with members of the Seimas factions created an impression that various political forces in Lithuania have similar foreign polity aims, and they differ only in detail. A state wishing to join the European Union is facing corresponding demands. After the signing of a free trade agreement with the European Union Lithuania will come closer to this European structure.

Klepsch supports long-term and close cooperation between the Lithuanian and European parliaments.

Ceslovas Jursenas noted that his meetings with Klepsch in Paris and Brussels and the present visit by the president of the European Parliament show that such contacts are very useful to our state advancing along a complex path to the European Union.

Accompanied by the Seimas chairman, the guest inspected the building of the Lithuanian parliament, a fragment of the barricades, and crossed himself at the Smutkelis crucifix.

Today, Egon Klepsch met the chairman of the Lithuanian Bishops Conference, Vilnius archbishop Metropolitan Audrius Juozas Backis.

## Ruling Party Members Oppose Holding Referendum

*LD0106185494 Vilnius Radio Vilnius Network in Lithuanian 1300 GMT 1 Jun 94*

[Excerpts] The attitude of the ruling party to the referendums organized on the initiative of the opposition groups was expressed once again at a press conference in the Seimas today.

Seimas Chancellor Neris Germanas, Vladas Butenas, member of the Lithuanian Democratic Labor Party faction, and faction elder Justinas Karosas spoke at the press conference.

The Lithuanian Democratic Labor Party members did not deny the constitutional right to hold referendums but proposed an assessment of the need for them and their cost. In their opinion, the referendums proposed by the opposition on early Seimas elections and savings compensation cannot result in anything positive and will only create confusion in the state. [passage omitted]

Justinas Karosas stressed that the 4 million litas cost of one referendum is a large sum for the budget of a poor country. [passage omitted]

Vladas Butenas rejected accusations by the opposition about the government crisis. He stated that neither the president, nor the Seimas, nor the government can be accused of inactivity. They are all carrying out constitutional reforms. [passage omitted]